The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japan's Use of "Adroit" Diplomacy and Secret Funds

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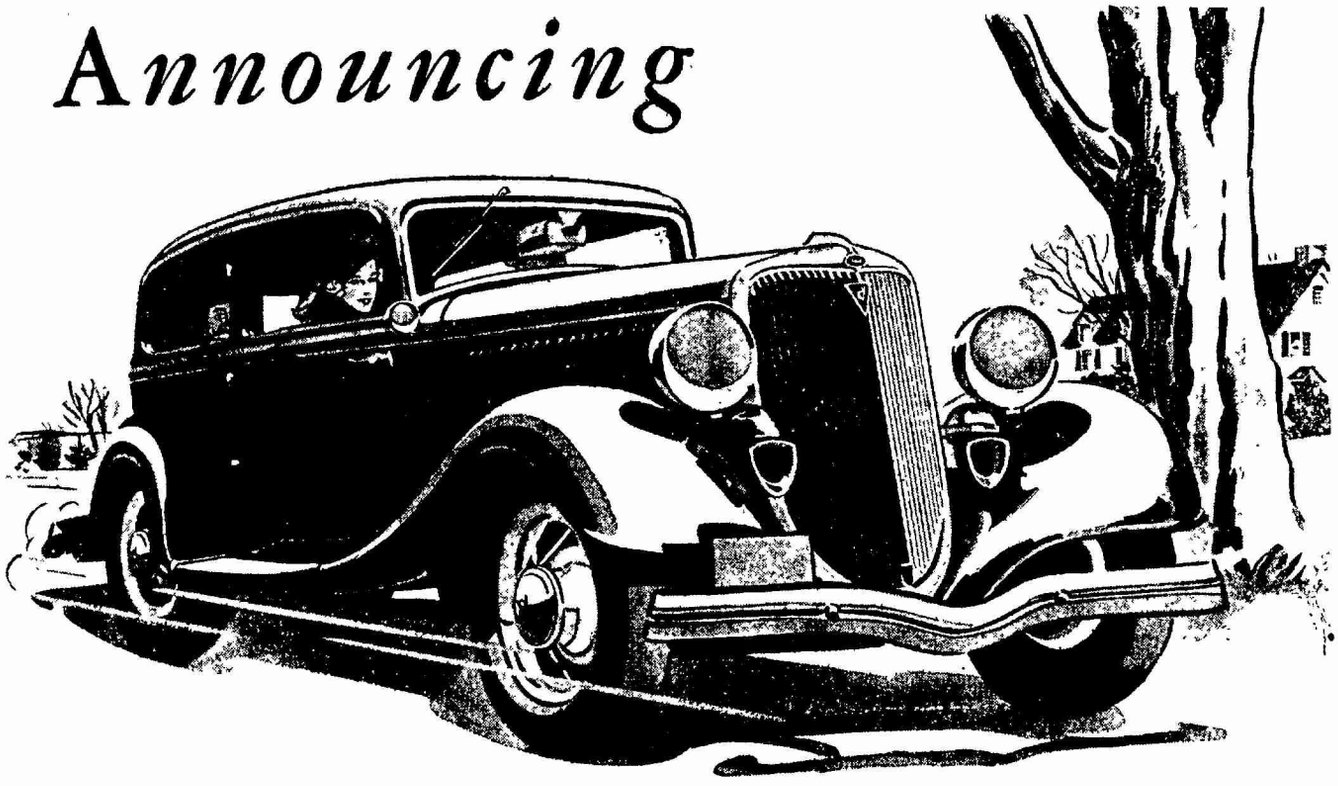

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WASHINGTON OFFICE
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Colorado Building, Washington, D. C.

HOW TO SOLVE THE SHANGHAI RICSHA PROBLEM!

MUCH has been written in the local newspapers and said publicly and privately in recent days about the Shanghai ricsha problem, which has become an odorous scandal due to the disclosures of the committee which was appointed for the purpose of making an investigation. But nowhere have we seen a suggestion that methods be applied here similar to those which have been adopted in Japan or in the Russian city of Harbin in North Manchuria, which have resulted in the gradual elimination of the man-drawn vehicle. The ricsha, a vehicle which most persons associate with the degredation of the human being, has practically been eliminated in the large cities of Japan and in Harbin through the simple expedient of the cheap, cruising taxicab. In Kobe, Osaka, Yokohama and Tokyo it is possible to travel long distances in a comfortable taxicab for the small charge of 50-sen, which is equivalent to about 40-cents in Shanghai silver currency. The price in Harbin is even less, for there the taxicabs collect a number of fares on their trips about the city. In Japan they proceed to their destination after one passenger has entered the car, hence the higher charge for longer distances. For shorter distances the average Japanese passenger pays considerably less and seldom tips the chauffeur. Obviously the man-drawn ricsha cannot compete with the low-priced taxi, hence the ricsha has been gradually eliminated, thus avoiding a social upheaval such as would follow any sudden elimination. The ricsha-men gradually pass into other lines of activity, some becoming chauffers of the taxicabs. The cruising-taxi could be easily introduced in Shanghai, and congestion at the beginning could be obviated by restricting them to certain routes or zones, with charges regulated accordingly by means of taxi-meters. That cruising taxis would lead to a further congestion of traffic on the streets of Shanghai is not correct for, as stated in the foregoing, the taxis soon would cause a reduction in the number of ricshas. It would not be long before the ricshas would be pushed off to the side streets, such as has been the case in most of the Japanese cities. In Tokyo one never sees a ricksha except in the narrower streets in the outskirts of the city, while in such places as Kobe and Yokohama there are still a few ricshas pulled by old men, but they are only used by tourists. But nothing is heard of such a logical and inevitable plan of ricsha elimination in Shanghai because that would interfere with the racketeering owners of the ricsha-companies, who earn big profits by forcing men to perform the work of dumb-animals or gasoline-propelled vehicles. Also it would interfere with the prerogatives of certain members of the Municipal Council, who according to public belief are in entirely too close

league with the racketeering ricsha-companies or other forms of transportation, which allegedly would be hampered by the introduction of cheap crusising taxicabs—a modern form of conveyance in general use in every other large city in the world—excepting Shanghai!

REAL REASON FOR ARIYOSHI'S TRIP TO NANKING

AT one of the press conferences held at the Tokyo foreign office about the middle of January, the spokesman, Eiji Amau read a telegram to the assembled American and European correspondents alleging that Gen. Chiang Kai-shek was engaged in the construction of elaborate airdromes on the Fukien coast at Amoy and Foochow. The telegram alleged these airdromes were being financed from proceeds of the cotton and wheat loan which China negotiated in the United States several months ago. The same question of Gen. Chiang's construction of airdromes in Fukien province came up again in one of the later sessions of the Imperial Diet, upon which occasion Koki Hirota, Foreign Minister replied that the matter was being investigated by the foreign office "acting in conjunction with the Japanese army and navy authorities."

Despite considerable propaganda and reports to the contrary this was the real object of Akira Ariyoshi, Japanese Minister, on his recent trip to Nanking on Feb. 21. The *China Press* apparently was the only paper which touched on the purpose of Ariyoshi's trip to the national capital, stating that he had discussed the question of the Fukien airdromes with Wang Ching-wei, president of the Executive Yuan and concurrently acting Foreign Minister, and had called Mr. Wang's attention to the treaty signed by China and Japan following the Sino-Japanese war 1894-1895 whereby China had agreed not to alienate any territory on the Fukien coast to foreign interests, the incentive for this being due to the fact that Fukien province lies opposite the Japanese dependency of Formosa which was ceded to Japan as a result of the war. The same subject was covered again in the notorious Twenty-one Demands which Japan presented to China in 1915. The subject of airplane bases was, of course, not thought of when the Sino-Japanese war was concluded thirty-nine years ago and the reference in this treaty is to naval bases only. Airplane bases also were not mentioned in the Twenty-One Demands of 1915 which also referred to naval bases, hence there is considerable significance in the fact that Japan has now broadened the interpretation of these old treaties to include airplane bases along the China coast.

Wang Ching-wei's reply to Mr. Ariyoshi has not been officially announced but on Feb. 22, the date of the Japanese Minister's visit to Nanking, the official *Kuomin* news service circulated the following telegram to the foreign newspapers in Shanghai:

> Recent press reports—circulated at this time when the Fukien trouble has just been pacified—concerning the construction of aerodromes in Foochow and Amoy have given rise to some misunderstanding in many quarters.
>
> Interviewed today, a high military authority explained that some years ago an aerodrome was built in Foochow and one in Amoy and that foreign airplanes occasionally landed there with the permission of the Chinese Government.
>
> He further stated that the anti-bandit compaign in Kiangsi owed much of its recent success to the air forces and that with the suppression of the Communist bandits in that province the Government has decided to push on its work of annihilating the other bandit groupes which are still holding out powerfully in Fukien.
>
> As the aerodrome in Foochow is rather small for the purposes of the anti-bandit campaign, the Government contemplates enlarging it though all equipment will still be simple. The old aerodrome at Amoy is also not well adapted to purposes on account of its narrow compass and the surrounding impediments of high mountains; therefore a more suitable site is being selected.
>
> Since both aerodromes are antiquated and in need of repair, the enlargement of the one and the removal of the other are necessary. It is learned that the outlay is quite inconsiderable and will be defrayed by the Fukien Provincial Government.

Charges originating in military circles in Japan to the effect that China and the United States had made a secrety treat dealing with aviation development in China, were emphatically denied in both Washington and Nanking.

CHINA'S POSITION AND THE NEW STATUS IN THE PACIFIC

THE Foreign Policy Association, an unofficial organization in the United States which makes a practice of publishing reports dealing with various phases of international politics, has just published a report under the heading "New Status in the Pacific," which was compiled by T. A. Bisson. The report is quite lengthy in that it contains a more or less complete summary of developments in the Far East since the beginning of the Japanese invasion of Manchuria in 1931. The first paragraph of the report is of special interest not only to the Chinese but to others having an interest in the future welfare of China as an independent nation. It reads as follows:

> "On May 31, 1933 the Nanking government was forced to accept the terms of surrender dictated by Japan in what has generally become known as the Tangku truce. It has since become clear that this truce marked the end of the undeclared Sino-Japanese war precipitated by the Japanese military on September 18, 1931. The more immediate results of the Far Eastern conflict, as summed up in the Tangku truce, may be stated briefly under four heads:
>
> 1—By engaging to demilitarize the greater part of north China from Peiping to the Great Wall, the Nanking Government tacitly—although not formally—abandoned the Manchurian provinces to Japan.
>
> 2—Undeterred by the verdict of the League, Japan dictated this surrender by the direct and repeated pressure of military force.
>
> 3—Contrary to the cardinal principle of settlement laid down by the League, the truce was the result of direct Sino-Japanese negotiations excluding neutral supervision.
>
> 4—The quiescence of the League's Advisory Committee in the face of these developments indicates that the Powers are not now prepared to challenge Japan's *fait accompli*.
>
> "These immediate results of Japan's resort to military aggression mark an important turning point in the future relations of the Pacific powers. The old landmarks of the Far Eastern *status quo* established by the Washington Conference have been obliterated. Henceforth Japan must be reckoned as a dominant power on the Asiatic mainland, with as yet undefined potentialities of further territorial aggrandizement. The principal Far Eastern interests of the United States and the Soviet Union as well as of Great Britain and France, are directly affected by this development. A significant aspect of the Japanese offensive in China has been that, once started, the scope of its operations, objectives, and results has steadily broadened. Beginning with the occupation of strategic cities in Manchuria, it has since resulted in the conquest of Manchuria, Japan's withdrawal from the League of Nations and, finally, a bid for complete Japanese dominance in the Far East.

One of the final paragraphs in Mr. Bisson's analysis of the new status in the Pacific is equally significant. It reads as follows:

"Tokyo's aim of setting up a political and economic block composed of China, Japan and Manchukuo constitutes a far-reaching bid for complete Japanese hegemony in the Far East. In a different setting and under a different guise, it contempletes the achievement of the program sketched out in the Twenty-One Demands of 1915. It proposes to squeeze European and American influence out of the Far East sufficiently to make the Japanese 'Monroe Doctrine' for Asia a reality. Japan's contemporary reassertion of this national goal, backed by the power of the military clique, challenges the effective maintenance of the open door policy in China, and threatens to drag China along against its will in the van of Japanese imperialism. Given the hesitancy of the European powers to venture on vigorous support of the 'open door' the chief onus of its defense is likely to fall on the United States."

Japan Will Use "Adroit Diplomacy" in Future Dealings With the United States

ALL talk and speculation about a future war between Japan and the United States are to be stopped. Even the thought of such a war is to be excluded from the minds of the people. Frank and sincere effort will now be exerted for the creation of mutual understanding between the two countries. These statements were made by Koki Hirota, Japanese foreign minister in the course of a reply to a diplomatic interpolation by Baron Toshiatsu Sakamoto in the House of Peers of the Imperial Diet on Feb. 24.

The complete text of Baron Sakamoto's interpolation pertaining to Japan's relations with the United States is not available, but Minister Hirota was quoted in a *Rengo* dispatch from Tokyo dated Feb. 24 as declaring it was "absolutely essential that America and Japan should understand each other's position in the most disinterested and impartial manner; Japan has not the slightest intention of taking issue with the United States and it is the earnest hope of the Japanese government and people that this point should be clarified to the Americans in the most convincing manner; earnest diplomatic effort should be exerted by the governments of the two countries to exclude all 'absurd' talk of war between Japan and the United States." In conclusion, Mr. Hirota recommended that when the "psychological ground work is ready" it then would be possible for the two countries to take up such subjects as arms limitation and other issues "without prejudice and ill-feeling." He stated that Ambassador Saito, recently arrived in Washington, had been notified to the foregoing effect.

One might well inquire, What has brought about this sudden change in Japan from extreme military belligerency to conciliation? The answer is to be found in two recent developments in the United States, one the re-establishment of diplomatic relations between the United States and the Soviet Union and the other the American decision to build the fleet up to full treaty strength. These two developments in the United States created a profound impression in Japan and largely explain the motives behind the present "conciliation" drive which coincided with the arrival of the new Japanese ambassador in Washington. Mr. Debuchi, the previous ambassador, resigned his post and returned to Japan immediately following the Washington announcement that relations were to be re-established between America and the U.S.S.R. During the sessions of the Diet, particularly those concerned with the adoption of the "extraordinary military budget," there were frequent references to the necessity of settling all differences between Japan and the United States through diplomatic means. On one occasion a prominent member of the House of Peers urged that Japan use "adroit diplomacy" in order to tide over the crisis in the relations of the two countries. All extravagant talk in Japan about the use of force against the United States is to be suppressed and "conciliation" diplomacy is to be the order of the day.

One hears echoes of the new "adroit diplomacy" from various quarters. On Feb. 24 the Tokyo foreign office cabled the new Ambassador H. Saito, instructing him to confer immediately with President Roosevelt, Secretary of State Hull, Secretary of the Navy Swanson and other high officials regarding the forthcoming conference on disarmament and Far Easter questions. Ambassador Saito was instructed to exert himself to correct "erroneous impressions caused in the United States by reports of the posisbility of war between Japan and America." On the same day a member of the budget committee of the House of Peers suggested that Japan and the United States compose their differences by getting together and dividing the Pacific under an arrangement whereby the navies of the two countries would agree to protect and maintain peace among all territories in the Pacific. On the following day, Prince Iyesato Tokagawa for thirty years president of the House of Peers, who is now touring the United States, also raised his voice in the interest of peace urging that Japan and America get together and divide responsibility for the maintenance of peace in the Pacific. As for Ambassador Hiroshi Saito, he obviously has not been idle since his arrival in America. In his first public address delivered after the presentation of his credentials he declared that all talk of war between Japan and America was as nonsensical as talk of war between America and Great Britain. He said that the question of naval ratios was not a Japanese-American problem, but a problem of all the naval powers and as to the immigration issue he was glad to learn of a movement on the Pacific coast for placing Japan on a quota. Nothing about the troublesome Manchurian and China questions to disturb the tenor of the new "adroit diplomacy." Nothing about Japan's demand for naval parity with United States and Great Britain! Nothing about Japan's determination to hang on to the Mandated Islands in the South Pacific after Japan's resignation from the League of Nations becomes effective! No more of the bellicose statements of Gen. Sadao Araki, late Minister of War, now in retirement or of equally warlike statements of Admiral Nobumasa Suetsuga, naval chief-of-staff, who recently contributed articles to popular Japanese magazines telling of the defeat of the American fleet by the Imperial Japanese Navy!

But it remains to be seen whether Japan's new "adroit diplomacy" will be successful in solving the many troublesome questions which have been piled up in the relations of the two countries since Sept. 18, 1931 when the Imperial Japanese Army threw discretion to the winds, scrapped the Washington Conference treaties and embarked on a campaign of terrorism and conquest at the expense of a neighboring state which also was a signatory to the same treaties not to mention a fellow member of the League and a participant in the Kellogg Anti-War Pact along with Japan. According to spokesmen of the Japanese Government there are four out-

standing issues between Japan and the United States:

1—Naval limitation as established by the Washington and London agreements.

2—America's attitude on the Manchurian issue in 1931 and continued refusal on the part of the United States to recognize the puppet state of Manchukuo.

3—American activities in China, particularly commercial encouragement of Chinese aviation which Japan regards as a menace.

4—Arbitrary restriction of Japanese immigration into the United States.

Of these four issues, that of Japanese immigration into the United States is of least importance. The average Japanese knows little and cares less about American restrictions on Japanese immigration into the United States. The rank and file of the Japanese care nothing about going to the United States and it is extremely questionable whether there would be any considerable movement toward the Pacific coast even if the immigration bars were lowered entirely. It's the Japanese publicists and a few officials and merchants who keep this question alive simply because it is good progaganda. The Japanese bar low-paid Chinese labor from their shores just as rigorously as the Americans bar the Japanese as well as other cheap Oriental labor. But the Japanese publicists, particularly those who attend international conferences like to talk about the American exclusion laws and to demand that Japan be given a quota similar to that accorded to various European countries. But they do not, except on rare occasions, refer to the more important fact that the relations between Japanese residents on the Pacific coast and the native American citizens of these states have been greatly improved as a direct result of the exclusion laws. The reason is that the native Americans on the coast no longer fear Japan's attempt at colonization, which was the real cause of the exclusion legislation and other anti-alien regulations.

But naval limitation, American attitude on the Manchurian issue and American commercial and cultural activities in China, not to mention the Mandated Island issue, do constitute real problems in Japanese-American relations—problems which large doses of "adroit diplomacy" will scarcely solve. We de not wish to infer that these issues alone will cause a war between Japan and the United States, but the militaristic spirit behind Japanese policy on these questions, if continued and not rectified, will ultimately bring a crisis. Americans normally are peaceful people and believe in giving the under dog a chance. No intelligent American objects to Japan's claim to leadership in Asia, but when pressed too far the Americans will rise 100% in defence of principles which they believe to be right and necessary for peaceful relations between nations and peoples. It was Spanish oppression and persecution in Cuba which brought about the Spanish-American war and it was Germany's riding rough-shod over the little Belgian nation which had much to do with America's entrance into the World War. Now it is French militaristic policy in attempting to dominate Europe and keep Germany in a permanent position of subjection which is estranging the Americans from their long friendship for the French Republic. And to bring the subject down to essentials in this part of the world it is Japanese policy of blood and iron in Manchuria, and oppression of China plus Japan's attempt to exclude legitimate American commercial and cultural activities from China which has caused America to become suspicious of Japan. If Japan does not take sincere steps to rectify the wrongs which her militarists have perpetrated in Asia since 1931, there will be serious trouble between Japan and the United States and no amount of "adroit diplomacy" backed by unlimited propaganda funds on Japan's part will be able to swerve America from her course!

"SECRET FUNDS" AS POSSIBLE AID FOR ADROIT DIPLOMACY

OF interest in connection with the foregoing report pertaining to Japan's use of "adroit diplomacy" in her future dealings with the United States were disclosures in the Diet early in February to the effect that the present budget now under consideration of the House of Peers contains an appropriation of Yen 13,814,000, equivalent to U.S. $4,604,000 which comes under the heading of "secret" funds. Of this considerable sum the army will receive the largest portion or Yen 7,334,000 which, according to the report in the Diet is to be used in connection with Manchurian affairs. The Ministry of Foreign Affairs will receive Yen 2,558,568 and the navy Yen 1,743,300 while smaller sums were apportioned to other departments, the Kwantung Leased territory receiving Yen 239,000, the Formosan administration Yen 203,500 and the Korean administration Yen 614,578.

In addition to the foregoing funds which are administered by the governmental departments concerned and used for purposes never publicly disclosed, there also is available another large fund which will be dispensed for propaganda purposes through a so-called "Cultural Bureau" which recently was organized. The size of this fund is not known but according to reports in the Japanese newspapers is thought to approximate Yen 3,500,000, part of which comes from official sources and the remainder from large private concerns which enjoy special privileges. The cultural fund is to be used entirely for the purpose of influencing public opinion in foreign countries on issues of direct interest to Japan. It is from this fund as well as from the secret funds administered by the military departments and the ministry of foreign affairs that subsidies are granted to newspapers and magazines as well as writers of magazine articles and books and professional lecturers. The traveling expenses of Japanese publicists sent to foreign lands are also defrayed from these funds. The Japanese also use the advertising appropiations of the large banks, rallways, tourist bureaus, shipping and trading companies for influencing editorial opinion of newspapers and magazines in various parts of the world. Publishers of newspapers and magazines desirous of obtaining advertising from Japanese concerns must first obtain letters of recommendation from the foreign office which are only granted in cases where the officials in charge are convinced the publication will be friendly to Japan. The letters of recommendation practically constitute an order upon the large commercial concerns to place advertising in the particular publication. The management of the large semi-official banks, trading companies and similar concerns would not under any circumstances place advertising in any journal that did not have the official sanction of the foreign office. Recently it was reported that the war department was following a similar procedure in connection with its secret fund, it being reported that three magazines published in Shanghai receive regular subsidies from the war department fund while one newspaper was alleged to receive a monthly check from the foreign office secret fund in excess of Yen 3,000.

Writers and publishers of books favorable to Japan also are not left out in the cold, it being reported that a retired college professor residing in Tokyo turns out books at the rate of three or four a year which the war department finances in lots of 10,000 copies for each edition. These books are distributed over the world to newspaper and magazine offices, city and school libraries, governmental offices and bureaus and officials Prominent foreign visitors making tours of investigation in Japan are provided with arm-loads of these propaganda books, most of which at the present time have some bearing on the Manchurian situation or China.

Pu Yi, Last of Manchus, Ascends Dragon Throne for Third Time---in "Manchukuo"

HENRY PU YI, the last of the Manchus, the former "Boy Emperor" of China, becomes the Emperor of the Japanese-supported puppet state of Manchukuo, according to elaborate coronation ceremonies scheduled to take place in Changchun, (renamed by the Japanese "Hsinking," or new Capital), on March 1. Said date was selected because it marked the "second anniversary of the founding of Manchukuo." Japan hopes, by this coup, to consolidate the position which she started to establish when Japanese troops entered into the old city of Mukden on the night of September 18, 1931. Among the objects which the Japanese have in mind in placing Pu Yi on the Manchu Throne are the following: They believe, or hope, that the installation of Pu Yi will have a profound political effect on the older Chinese and that by their help it will be possible to establish peace and order—which do not exist at this time. The Japanese also have in mind that the accession of Pu Yi will have an effect on North China. Japanese military officers in Dairen will tell you that within six months the population of all of North China possibly down to the Yellow River will be willing to become loyal subjects of the "Boy Emperor" in his new role, this prediction being based on the belief that in North China the older Chinese residents and interests will allegedly be glad to make a change. In the meantime the Japanese are establishing a summer capital for the new State in Jehol City, (Chengteh), the old capital of Inner Mongolia. The object here is to impress the Mongolians and secure their support for the new regime—another element in the Japanese program. The Japanese also hope—but from all appearances, in vain—that the coronation will have a favorable reaction on foreign opinion abroad; that is, they wish to create the impression abroad that Manchuria is really an independent state. The truth of the matter is, of course, that the Japanese have not been able to get the support of the mass of the people in the Three Eastern provinces and there is an undercurrent of opposition, which makes itself evident in numerous directions. Bandit activities are far from being suppressed, and the Japanese have been compelled to increase the number of their troops in Manchuria from time to time. There have been estimates that Japan has up to 120,000 troops in Manchuria at the present time, although this is probably an exaggeration. In addition to the Japanese military establishment as such there are reported to be between 110,000 and 120,000 Manchukuo troops led by Japanese officers. The Japanese military machine in Manchuria is supported by between 300 and 500 military planes in Manchuria, some of which are being used for commercial and mail transport. These planes have a choice of from 30 to 50 air-bases and ports north of Mukden, in which to refuel and repair. Further, the Japanese are reported to have recruited up to 12,000 White Russians, their object being to attach detachments of Russians with each regiment of Manchukuo troops. Russian troops also are being used to guard all railway bridges.

Henry Pu Yi, last of the Manchus, former "Boy Emperor" of China, who, as the result of the coronation ceremonies organized and conducted by the Japanese military authorities at Changchun, March 1, becomes Emperor of Manchukuo.

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The repercussions of the Pu Yi accession are felt in many directions. Nowhere has the creation of Manchukuo been watched with keener interest than in the White Russian community of the Far East. According to Ataman Semenoff the creation of Manchukuo has freed the Russian emigrees (of whom there are about 100,000 in Manchuria—more than half in Harbin) from the arbitrariness of the old Chinese administration and disorganized soldiers. More than half of all Russian emigrants in Manchukuo formerly served under Admiral Kolchak in Siberia or belong to the families of the members of the Far Eastern and Siberian White Armies. There is no direct evidence that any of these have been enlisted in Manchukuo armies, but there are several groups among the Manchukuo Railway Guards and in the Railway Police Service.

A point also to be borne in mind is that the Japanese-Manchukuo protocol, whereby the two countries entered into a defensive alliance, has brought Japan's defense line into direct contact with the Soviet frontiers. The rise of Manchukuo has resulted in Russia massing

her troops along the Soviet-Manchukuo frontier. The existing strength in the Soviet Union is said to consist of 470,000 regular troops, 600,000 men of the People's troops, and combined forces of G. P. U. and militia numbering some 240,000. Divisionally classified, these troops compose 76 infantry divisions and 31 cavalry divisions, aggregating a total peacetime strength of 1,300,000 men. This surpasses by far the whole army organization of Russia under the Czarist regime. Furthermore, these troops have the advantage of possessing the latest equipment known to science. In addition to numerous mechanical corps and chemical corps, Russia has approximately 2,000 tanks and 2,200 airplanes.

The Manchukuo Ministers of State, popularly known as the "puppet" Cabinet, composed of Chinese and Manchus who have chosen to cast their lot with the Japanese in the administration of the new state. From left to right:—Lo Shen, secretary to the Premier; Chang Yen-ching, Minister of Industry; Hsieh Chieh-shih, Foreign Minister; Tsang Shih-yi, Minister of Civil Affairs; Cheng Hsiao-hsu, a Manchu, Premier and Minister of Education; Sun Chi-chang, Vice Minister of Finance; Chang Ching-hui, Minister of Defence; Ting Chien-hsu, Minister of Communications; and Feng Han-ching, Minister of Justice. Hsi Chia, Minister of Finance, was absent when the picture was taken.

The Soviet troops are spread out roughly as follows.

Eastern Maritime Province and Ussuri Basin:—Vladivostok, Nikolsk, Grodekoya, Iman, and Habarovsk are the centers where four infantry divisions, two cavalry divisions, or two independent brigades are stationed. At Habarovsk and Sbask are massed groups of air corps. Possiet Bay, close to the Chosen border, is being fortified under the direction of German engineers. There is also an air corps at Vladivostok, while there are more than 10 small submarines in the harbor.

Amur region:—With Blagoveschensk and Bleya as centers, there are approximately three infantry divisions in this region.

Trans-Baikal Regions:—With Chita, Dauria, Nerchinsk, Strechensk, and Irkutsk as the principal centers, there are some three infantry divisions and at least one cavalry division in this region. Chita and Dauria have massed groups of air corps.

It is estimated that Soviet Russia has today in the Far East infantry twice the strength of the pre-emergency number, and cavalry two and half times the strength of the former number.

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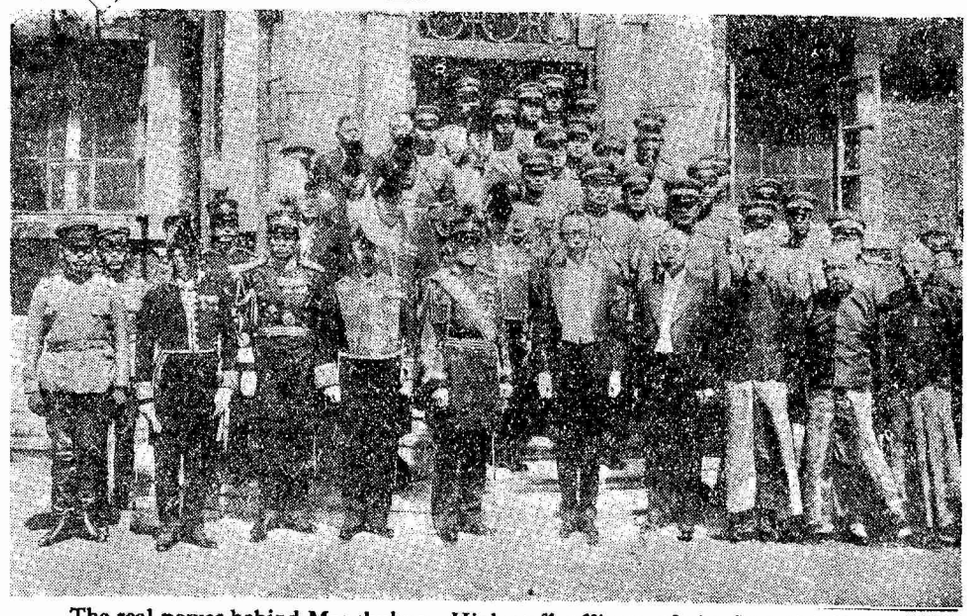
The story of Henry Pu Yi is not exactly parallel to the parable of the rejected stone that became the head of the corner.* But there is a certain resemblance. This is Pu Yi's third appearance as a ruler. In his 29 years of life he has gone from imperial pomp to plain citizen and now once more comes to rulership in the land whence his conquering Manchu ancestors bore down upon the Middle Kingdom and subdued it. The first instrument of his fate, as an article in the *Japan Advertiser* points out, was the Dowager Empress of China, the "Old Buddha," Tzu Hsi, whose affection for her chief retainer, Jung Loh, was so great that she promised him one of his descendants would sit on the Dragon Throne. Jung Loh's daughter was married to Prince Hsun, the younger brother of the Emperor Kuang Hsu. The baby was born in 1905. The Emperor Kuang and Tzu Hsi died, and at the age of three the "Boy Emperor" ascended the Peking throne. Then the state of the revolutionary Dr. Sun Yat-sen arose, and, before the advance of the anti-monarchist troops, the child ruler's aunt, the young Empress Dowager Lung Ku, issued a decree of abdication, depriving Hsuan Tung of all power. His title was retained, however, under the promise of the new republicanism, and substantial revenues were promised him. He continued to live in the Forbidden City and five years after the abdication, General Chang Hsun,

*This is a reference to the parable recorded in Matthew 21,42: "The stone the builders rejected the same is become the head of the corner."



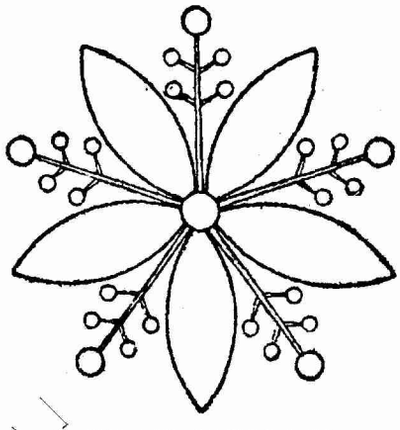
The real power behind Manchukuo—High staff officers of the Imperial Kwantung Army photographed with "Emperor" Pu Yi and other officials of the Manchukuo government. In the front row, center, are (left) Gen. Takashi Hishikari, Commander-in-Chief of the Kwantung Army; "Emperor" Henry Pu Yi, Hsieh Chieh-shih, Minister of Foreign Affairs, and three aged and venerable Chinese who serve as "advisers" to the Government. Those standing behind are Japanese military officers and Japanese advisers to the Manchukuo Government.

for the time victorious in his counter-revolutionary campaign, proclaimed him once more Emperor in fact. Soon, however, Chang was defeated, and the second reign of Hsuan Tung ended. Again he was kept secluded in the palace. Two years later, in October, 1924, Feng Yu-hsiang, the "Christian General," gained control of Peking and nullified the terms of the abdication. The young Hsuan Tung and most of the members of his household escaped from the Forbidden City and found refuge in the Japanese Legation. Later, disguised as a coolie, he made his way by stealth to the Japanese concession at Tientsin, where he settled down as "Henry Pu-Yi," having adopted the "Henry" because of admiration for King Henry VIII. While the Manchurian incident was developing, one day he was mysteriously missing from his Tientsin home, and it later was revealed that he had gone across the Gulf of Pechili, on a Japanese ship accompanied by Japanese military officers, landed at a port in Manchuria, and had then hidden at Mukden. It was reported then that he would emerge as king or emperor of a new Manchuria and Mongolia. The Chinese of the old school declared him a traitor, treatening death if he ever entered China again. Then Manchukuo was declared an independent state, with Henry Pu-Yi the Chief Executive—and behold, to-day, he is the Emperor.

Right—General Takashi Hishikari, Commander in Chief of the Imperial Japanese Kwantung Army, who is also concurrently Director General of the Kwantung Leased Territory, and Ambassador to Manchukuo.

The Japanese in their propaganda claim that Manchukuo is being governed in accordance with the spirit of WANG-TAO or "Ways of the King," meaning benevolence, justice and humanity. There shall be no tyranny, no calamity of party strife and all men are to become brothers and enjoy peace and happiness in perfect security. The new annual publication of the Japanese Nippon Yusen Kaisha steamship line, edited by T. Kawata, contains the following description of Manchukuo:

"The new state was created on March 1, 1932. It embraces Inner-Mongolia, including Jehol and embraces 1,000,000 square miles of territory between the Amur river and the Gulf of Peichili with the Changpei, Hsingan and Yinshan mountains as a border. The population is 30,929,000, including the Kwantung Leased Territory and the zone of the South Manchuria Railway."



THE CREST OF PU YI

This five-petalled orchid design has been selected as the family crest of Chief Executive Pu-Yi. Five orchid seeds are placed in each space between the petals. The flower in question is the Chinese orchid, and is a hardy plant very different from the ordinary orchid of the west. This design appears on all of the new emperor's paraphernalia, including the doors of two vermillion colored and upholstered Lincoln cars which the Japanese have provided for "His Imperial Majesty, Henry Pu Yi."

Writing further about the new state, Mr. Kawata declared that Japan's policy was to "stabilize the roots of Manchukuo and foster its healthy growth by unifying the national spirit and thought under the rule of 'wang-tao' where there would be no military tyranny, no bolshevism and no capitalism and where the happy existence of the people would be insured through the stimulation of production and industry, thus leading the people to better morals and intelligence while fostering harmony among the different tribes and races as well as with foreign nations."

The ceremonies incidental to the coronation have been described in previous issues of *The Review*. The program contained a ceremony for reporting the birth of a new Empire to the Imperial Japanese Sun Goddess, Amaterasu-Omikami, at the Hsinking Shrine, a mass celebration in the Tatung Square, a flag parade, amusements, a fancy dress parade, fireworks and the operation of decorated motor-cars. A mass celebration was scheduled to take place in Tatung Square from 11 a. m. to noon. Open-air entertainments for the benefit of the masses form an interesting part of the festivities. They are being given during the first three days of March. About 30 geisha girls of the Hsinking Geisha Association will provide entertainment. Cash prizes of 15 yen, 10 yen and five yen are being given for the three best costumes in the fancy dress parade. This "show" took place in front of the local Administration Office of the S. M. R. March 1. The Manchuria Electric Company is operating 12 decorated motorbuses during the first three days of the new Empire. Its trucks will mount platforms for carrying female entertainers. All vehicles are carrying Japanese and Manchukuo flags.

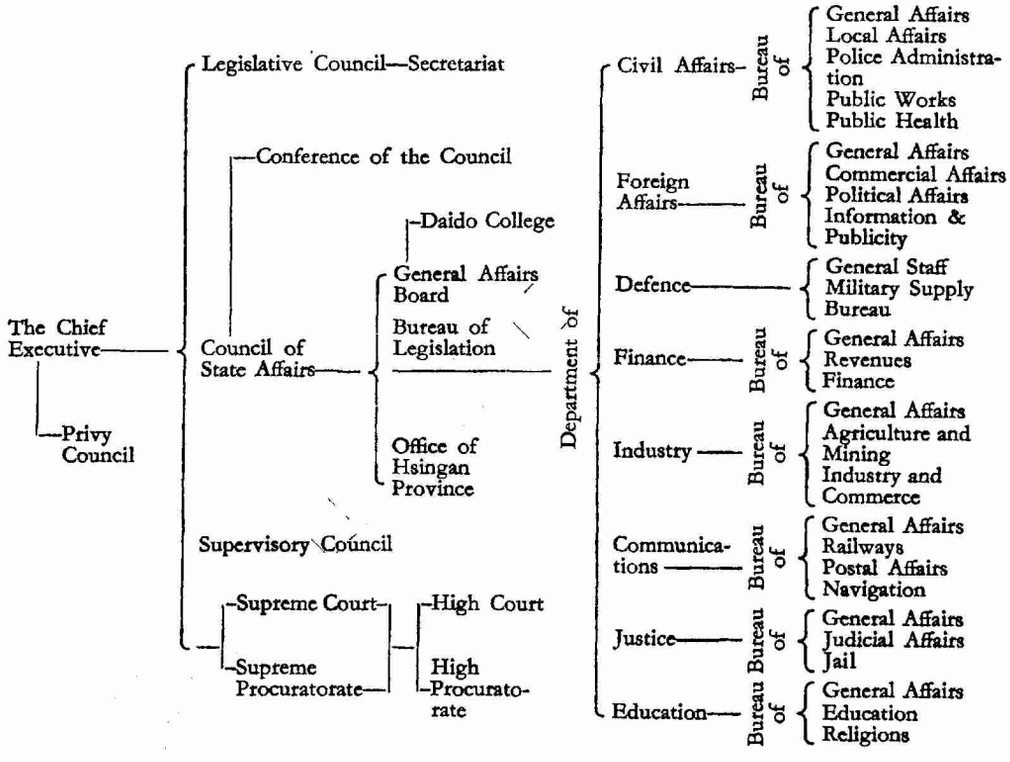
The "Emperor" was scheduled to be the host to over one hundred Japanese officials at a formal reception in the Banquet Hall of the temporary Palace, at noon on March 2. On the following day (March 3) the new monarch will entertain about 140 Manchukuo officials. Those invited to the first reception include Ambassador General Takashi Hishikari, Rear Admiral Kobayashi, who is the Commander of the Japanese Navy in Manchuria, Lieut.-Gen. K. Koiso and Major Gen. Okamura, Chief and Vice Chief of Staff respectively to the Kwantung Army, Count H. Hayashi, President of South Manchuria Railway Co., and others.

The official name of the new state is "Great Manchukuo Empire." The new capital, Hsinking, situated about 600 miles, north of Dairen is being rapidly remodelled. Many government buildings are being erected, the prinicipal of which will be a new Capitol building on which the Manchukuo government is spending $30,000,000 (local currency). The current city building plan envisages a population

in the future of two million persons. Changchun, the old name for the city, is the junction point between the Chinese Eastern Railway and the South Manchuria Railway where both passengers and freight must be transferred owing to the difference in the gauge. It is also a junction point for the Kirin-Tunghua line and the Tumen-Chiangan line. Aside from its political importance Changchun ("Hsinking") is the center of the world's largest bean business. It is freqently referred as the "City of Beans."

The S. M. R. Zone in Changchun occupies a large area of 23,175,900 square meters, including airdrome, parade ground and government premises. The Foreign Settlement occupies an area between the North Gate of the Walled Town and the S. M. R. zone. The Walled Town was originally encircled by a lofty wall, but in recent years the greater portion of the wall has been removed.

Since the establishment of Manchukuo on March 1, 1932, various government machines have been set up, by means of which the new regime functions. The organization as it appears to the eye is as follows, but the controlling force, it is never to be forgotten, is the Japanese military clique:



Yen 2,879,975 Appropriated for Coronation Ceremonies and Construction Work

Manchukuo's second supplementary budget for the current fiscal year (1933-34) to meet the expenditures pertaining to the Enthronement ceremonies and construction work of the Imperial palace amounting to Yen 2,879,975, (prepared by the State Council) received the approval of the Privy Council at its special session held on January 25.

The account in the *Japan Times* Feb. 5 stated that in compliance with the wishes of the Chief Executive, the ceremonies are to be simple and the budget, accordingly, is relatively modest. The second supplementary budget is itemized as follows: Construction work of the Imperial palace, Yen 260,000; (first year's allotment): enthronement ceremones, Yen 2,614,395; investigations relative to distinguished services in national founding, Yen 5,580.

Henry Pu Yi, celebrated his 28th birthday Feb. 25 although the anniversary really fell on the following day. High Manchukuo and Japanese officials called on him at 11 a.m. to offer congratulations. At the conclusion of a reception, all the guests were presented with a birthday souvenir in the form of medals, with the new Imperial orchid crest relief on them.

Japanese Store Ammunition at Dolonor---New Invasion of Chahar Feared

According to a special telegram received from Kalgan, the Japanese military authorities have ordered a large quantity of arms and ammunition to be stored in Dolonor and Kuyuan, eastern Chahar. This ammunition is reported to have been carried to Dolonor by airplanes. The Peiping correspondent of the *Sin Wen Pao* expresses a fear that as soon as the Japanese have completed their preparations they will start a new invasion of Chahar.

A Tientsin message to the *Shun Pao* February 26 stated that military transportation has been busy during the last few days along the motor car road leading from Suichung to Hsinchen outside the Great Wall. All these trucks are heading towards eastern Chahar and at the same time military trains are coming down every day from Mukden fully loaded with Japanese and Manchoukuo troops. These troops all land at Suichung, from where they head westward towards Chahar. The Chinese authorities are stated to be watching the movements of the Japanese and Manchukuo troops closely.

Kupeikou Retrocession Postponed to March 4

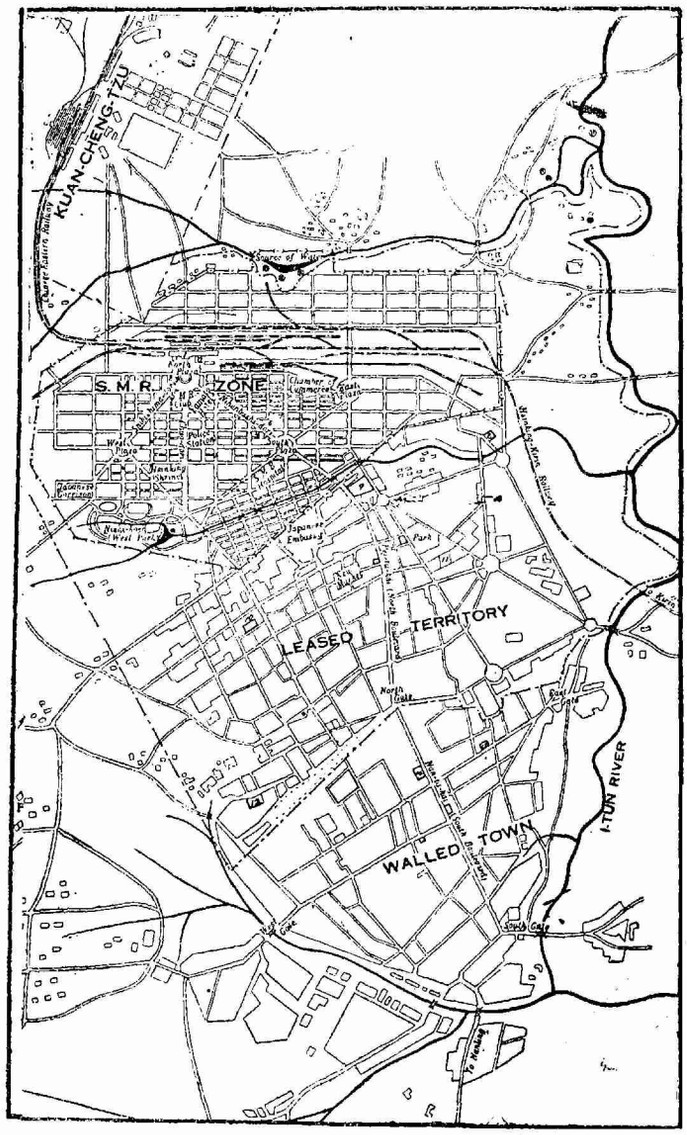
Following the retrocession of Shanhaikwan, a formal ceremony was scheduled to take place Feb. 28 for the taking over of the Kupeikou Pass by the Chinese from the Japanese forces. Yin Ju-keng was to represent China at the retrocession ceremony. At the last moment, the ceremony was postponed to March 4, by Japanese request.

The Chinese authorities during the negotiations for retrocession of Kupeikou took up the question of free transportation of food and military supplies by the Japanese forces, which has been in progress for several months. More than 20 heavy motor trucks have been travelling daily between Peiping and Chengteh, transporting food supplies from Peiping to Jehol city. The Chinese authorities requested that the motor trucks travelling between Peiping and Chengteh should be reduced to five, and that all trucks should be subject to search before they leave the Yungtingmen Gate of Peiping. The Japanese were reported to have accepted these conditions.

Among the points in the agreement reached (according to the Peiping correspondent of the *Sin Wen Pao*) are: Certain Japanese organs which cannot be moved away in time for the retrocession owing to the lack of accommodations shall be permitted to remain for the time being with the understanding that they be moved away whenever it is possible to do so; these Japanese organs which shall be temporarily permitted to exist at Kupeikou shall not be allowed to interfere with the administrative affairs of the place.

Yin Ju-keng, Administrative Inspector for the Miyun-Kihsien area, returned to Peiping from Tientsin Feb. 24. He stated in an interview that 20 special police would be stationed at Kupeikuo and 10 at each of the five minor passes after their retrocession. These police would be selected from the police corps at Miyun.

Map of Changchun ("Hsinking")



Manchukuo Makes a Bid for Foreign Recognition

The following is the telegraphic communication despatched March 1 by the Foreign Minister of Manchukuo, Hsieh Chieh-shih, to foreign ministers or secretaries of all foreign nations including dominions on the occasion of the enthronement of His Excellency Pu-yi.

I have the honor to inform you hereby that in this State of Manchukuo His Excellency Henry Pu-yi, the Chief Executive, has on this date, namely the first day of March of the first year of Kangte or 1934, acceded to the Throne as Emperor of Manchukuo (the Manchu Empire) and that a monarchical regime has been established. I avail myself of this occasion to declare that this Government earnestly desires the relations between Your Excellency's nation and this nation to develop most favorably in future.

Respectfully Yours,

HSIEH CHIEH-SHIH,

Minister of Foreign Affairs,

Manchukuo Government.

Swedish Match Trust Retires from Manchuria

The Kreuger Swedish Match interests, which before the Mukden incident owned about 60 percent of the three important match factores in Manchukuo, the Kirin Match Factory, the Kirin Matchwood Factory, and the Nisshin Factory, and which during the past year or so have fought a losing battle to dominate the Manchurian match industry, have decided to sell all their shares to the Japanese and retire from the Manchurian market.

False Reports that U.S.A. and Germany Will Recognize Manchukuo

The London *Morning Post* Feb. 23 stated that the United States may consider recognizing Manchukuo—a statement which caused a great stir of excited comment in London diplomatic circles. The *Morning Post's* story stated that the United States was considering the recognition of the new Asiatic state in view of the fact that Germany was reported to be on the verge of extending recognition in order to boost German trade in that country.

A London message Feb. 24 stated Great Britain has every intention of remaining faithful to the decision of the League of Nations for the non-recognition of the new state.

Reports of the pending recognition of Manchukuo by Germany were officially declared unfounded in Berlin Feb. 24. The Tokyo correspondent of the *Herald Tribune*, referring to the question of the possible recognition of Manchukuo by Germany, declared Feb. 21 that Germany had to consider whether the potential trade of Manchukuo is really worth the partial sacrifice of trade with China, which undoubtedly will suffer as a result of the recognition. She must also consider whether it is advisable to deal a fresh blow to the League of Nations, violating the decision of the League on the non-recognition of Manchukuo,—a decision in which Germany also participated.

The *Sin Wen Pao* comments:—Reports are in circulation in both New York and Washington to the effect that Germany is planning to accord official recognition of the puppet government in Manchuria and that United States Government also is now considering the question. Although we are not certain whether these reports are authentic it is not at all improbable in view of the energetic activities conducted by Japanese diplomats in Europe and the comparative inactivity of the Chinese Government. Modern diplomacy recognizes reality more than justice. In fact there is absolutely no justice in international relations. The Powers attach more importance to their own interests than anything else. Oh the other hand the existence of a nation depends more on her own efforts than on the support of other powers. Even if there is such assistance it is not dependable. Therefore, the reports about the contemplated recognition of Manchukuo by Germany is not at all unlikely. Germany has no particular love for China. If such recognition could give her more privileges she would not hesitate to extend such recognition. Evidently, the Japanese authorities are planning to make use of Pu Yi, who was Emperor of the Manchu Dynasty, to win over the Mongolians who are still faithful to the Manchu household. It is not unlikely that after the enthronement of Pu Yi the Japanese will penetrate into Inner Mongolia and possibly North China under the pretext of recovering lost territory for the Manchus. Have the Chinese Government made any necessary preparations to forestall such activities of Manchukuo and Japan?

China Realty Co. Pays Dividend, Despite Difficult Year

The annual meeting of the China Realty Co. was held in Shanghai Feb. 27. F. W. Sutterle, Jr., presiding said the past year in Shanghai has been a difficult one for real estate companies. Mr. Sutterle mentioned that the company's real estate holdings during the past year increased by $1,387,389, and that the company had completed the largest individual mortgage made in Shanghai, the $18,000,000 loan to Mrs. Liza Hardoon. In addition, a dividend of $1.40 was declared on each share.

Business transacted by the company for 1933 was $40,015,800 as compared to 1932, $33,413,200; this not including rent collections, management of estates, insurance written, trusteeship fees for beneficial owners and other sundry sources of income.

American Lawyers Pay Tribute to Judge Purdy on His Retirement

Milton D. Purdy formally relinquished his post as Judge of the U.S. Court for China Feb. 26, when the members of the American Bar assembled to pay their respects to the retiring jurist. R. T. Bryan, Jr., president of the Bar Association, F. J. Schuhl, secretary, and C. S. Franklin spoke briefly eulogizing Judge Purdy's work. In reply, Mr. Purdy recommended that the members of the bar should give his successor, Milton J. Helmich, the same support as they had accorded him, thus upholding the high standard of the Court and the Bar. Among those present was Miss Viola Smith, U. S. Trade Commissioner, who was recently admitted to practice. A photograph of Mr. Purdy (to be hung in the Court room) and a malacca cane were presented to the retiring judge by the Bar Association.

Henry Pu Yi Becomes Emperor Kang Teh

Henry Pu Yi, after his enthronement on March 1, will be known as Emperor Kang Teh of Manchukuo, according to an official announcement made in Changchun, Feb. 27. Kang Teh, translated literally, means "Tranquility and Virtue."

The Japanese Propaganda

BY WALTER LIPPMANN

(In the N-Y. Herald Tribune, Jan. 23, 1934)

THE most seasoned American observers of Far Eastern affairs have been disposed to make large allowances for the Japanese militarist propaganda on the ground that its immediate purpose is to justify large military appropriations in the budget now under consideration. Nevertheless, this propaganda is taking a form which may have serious implications for the future, and it would be a mistake not to call attention to them. What is to be feared is that the propagandists will commit Japanese opinion and Japanese public men to projects that are impossible to realize, that bridges will be burned, the Japanese national honor engaged.

This propaganda seems to be bent upon establishing two principles. One is that, all treaties to the contrary notwithstanding, no one must question the Japanese advance in Asia. Indeed, last week there were expressions of pained astonishment in Japan because the United States, though offering no active opposition, does not by recognizing Manchukuo give its approval to the treaty-breaking. The other is that in the naval conference scheduled for 1935-36, Japan must have a navy equal to Britain's and America's.

These two principles combined are formidable. If they were accepted, they would destroy the whole basis of the treaty relationship set up in the Washington Conference. Let us recall what those relationships were. The United States came to the Washington Conference with a naval building program under way which, if completed, would have made us the first naval power. The British had an alliance with Japan. The Japanese had taken a big bite out of China.

The Washington Conference was a compromise in the interests of general peace. The United States gave up naval supremacy and accepted equality in capital ships with Great Britain. The British gave up their Japanese alliance. Japan and the United States agreed upon a ratio of three to five. In return the United States agreed not to fortify islands in the Western Pacific, thus making it impossible for the American navy to give battle on the Asiatic side of the ocean. Japan in return gave up Shantung and signed the Nine Power Treaty recognizing the integrity of China.

Now, as Secretary Stimson pointed out in 1932, all these agreements were inter-related. We, for example, did not build a navy which outclasses Japan two to one because Japan pledged herself to a non-aggresive policy as respects the Asiatic mainland and the Asiatic islands. We did not fortify our own outposts because we have no ambitions of our own in Asia and were willing to renounce the possibility of the use force in that part of the world. But if Japan is now going to claim the right to override all her treaties and at the same time to possess a navy equal to ours, the whole basic settlement of twelve years ago will be underminhd.

This has one very important practical consequence. The time is already at hand when it is necessary to discuss the renewal, the improvement, or the abrogation of the naval treaty. The Japanese should not deceive themselves. No American Congress would ratify a treaty giving naval equality to Japan, most especially after the demonstration since September 1931 of how aggressively the present rulers of Japan employ armaments. Therefore the Japanese should know that if they commit themselves to the doctrine of a free hand in Asia plus naval parity they had just as well be frank about it and admit that the naval treaty is to lapse and the naval conference is not worth calling together. As a matter of fact, if Japan is to demand naval equality, it would be dangerous to the peace of the world to hold a conference. For a conference under such conditions would simply advertise and exacerbate the irreconcilable positions.

This is not the view of American jingoes or professional anti-Japanese. It is, I believe, the view of men who, looking at the matter without passion or prejudice, realize that propaganda such as is now being put forth in Japan may, if it is not checked, put Japan in a position of isolation in the world from which it would be extremely difficult for her to retreat.

Dr. Chao Hsin-po Explains Manchukuo's Position

On his return to Changchun Feb. 22 after eight months' sojourn in Tokyo, where he had been making preparations in connection with the drafting of the new constitution for Manchukuo, Dr. Chao Hsin-po, president of the Legislative Council of the Manchukuo Government said that although the proposed constitution would provide for a constitutional monarchy, a direct government by the people as in the case of Japan and Great Britain would be impossible, because of the low cultural standard of the masses and other factors. "What we are trying to do is to draw up a fine constitution, taking into consideration Japan's experiences to be in conformity with the actual conditions pertaining to our country. After the aid of such noted authorities on the constitution as Viscount Kaneko and others, preparations for drawing up the new constitution is progressing rapidly," he said. He believed that it would be ready for promulgation in March of next year.

The Ghost of a Broken Pledge

(An Editorial in the N. Y. Herald Tribune Jan. 22, 1934)

The Japanese government, according to its official spokesmen, is much annoyed with Stanley Hornbeck, chief of the State Department's Far Eastern division. He has thrown a wrench into the smooth-running machinery of Japanese policy in Manchuria. The Japanese have been hoping for some time that the permanent existence of Manchukuo was coming to be regarded throughout the world as a *fait accompli*; that opposition to that state of thing was wearing itself out, and that this desuetude of opposition would, with the mere lapse of time and the steady improvement of conditions in Manchuria, be converted into what might be called passive recognition. This, with the lapse of more time, would be replaced, they hoped, with formal recognition by one power after another.

It has undoubtedly been felt in Tokio that the elevation of Henry Pu-yi to royal or imperial authority would not be accepted by the United States or by European parties to the League's non-recognition resolution as a challenge. The Japanese thought that while this dramatic gesture might not bring recognition from the major powers, the most unfavorable comment it would elicit from any would be a sigh of resignation. This expectation Mr. Hornbeck has shattered. Mr. Hornbeck said publicly last Thursday that the non-recognition of territorial changes brought about by force was still an important factor in this country's foreign policy. This Tokio has seen fit to construe as a notice from the present Administration to the world that, so far as Manchuria is concerned, silence is not consent and that the abandonment of such a policy of protest as Colonel Stimson pursued is not to be interpreted as tacit recognition.

Whether Mr. Hornbeck meant his remarks to be taken so seriously or not, the interpretation that Tokio puts upon them is certainly a correct definition of the position which the United States must take. Granting almost any argument that Japan's spokesmen put forward, neither this government nor any other party to the nine-power treaty could have much to say about the sanctity of treaties if Manchukuo were formally or informally recognized while the nine-power treaty stands. Granting, for instance, that the Kellogg pact is the expression of a pious hope, granting that the League Covenant is a pacifist's comedy of errors, granting that the nine-power treaty takes into account a China that never did and never will exist, and even granting that Japan's military action in Manchuria and Jehol was wholly defensive, which is a large order, the fact remains that this country is still bound by the nine-power treaty to keep good faith with six powers besides Japan and China in maintaining China's "territorial and administrative integrity."

By entering into treaty relations with Manchukuo Japan violated this provision and broke her faith with seven powers other than China, thereby casting doubt upon the worth of her signature to every other treaty that bears it. American recogniton of a situation in Manchuria that has resulted from a treaty violation, however beneficent that situation may now appear to be, would not only make the United States party to Japan's breach of faith with this country but would violate America's pledges to six others besides Japan and China.

Premier Saito Faces Interpellations Unscathed

Premier Viscount Saito, with his face still pale from two weeks illness appeared before the Diet Feb. 26 and faced the volleys of interpellations raised by members of the Upper House. Contrary to expectations, however, no serious development occurred in the course of the Budget Committee sitting in the House of Peers. Premier Saito, referring to the subject of the control of reactionary extremists, declared that while it is difficult to control and regulate thought and ideology, the government is quite ready to control acts of violence by persons of whatever thought tendency. The subject of co-ordination of government organs in Manchuria being raised, Premier Saito, in reply, expressed his conviction that while the present Japanese administrative system is a temporary one, it is the best under the existing circumstances and the government would make efforts in the future to perfect the system by gradual stages.

British Subject Committed for Trial in B.A.T. Forgery Case

Arthur Charles Mack was formally committed for trial at the British Supreme Court, on a date to be fixed, by Magistrate C. H. Haines, in the British Police Court Feb. 24. The principal charge is that on various dates between November 1, 1933 and January 26, 1934 he conspired with one Joseph I. Ionin and certain other persons to procure the utterance of a forged check for $136,688.25 purporting to be drawn by the British-American Tobacco Co. (China), Ltd. upon the Chartered Bank of India, Australia & China Ltd. knowing the same to be forged, with intent to defraud.

In the Italian Consular Court, E. Tamburini and his son are being charged in connection with the case.

Comment on Strained Soviet-Japanese Relations by Japanese Officers

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese publications)

Be Always on the Alert Not to Give Chance for Aggression

(By Lieut. Col. Setichi Aoki (青木成一), of War Office, Modern Nippon, Jan.)

WHO could predict that there will be no crisis waiting for Japan? The Soviet Union began to assume a positive attitude, and dared to circulate such a groundless report that six or nine Japanese planes flew over the border line, when Japan has only two machines for the subjugation of bandits. Seeing that Soviet Russia spreads such a random report, it may be that she uses any pretext to brew disturbances. It is too late for us to get prepared for such an occurence; we must therefore be always on the alert not to give any chance for pretext. It is not time for us to think that as our task in Manchukuo is over we may have a short rest.

In view of the fact that Soviet Russia has concluded non-aggression pacts with countries in the west and decided on centring her Far Eastern policy upon Japan, we feel the situation does not permit us to indulge in optimistic views. People may argue that since Japan cannot augment her armament without Russia's following suit, she had better give up the endless competition. But it is impossible for Japan to remain idle in the face of the Soviet's armament increase.

The Soviet's tanks and airplanes must all be of new type for they were made after the Five Year Plan was put into effect. Five years ago Russia had only 100 tanks, whereas the number reached 300 at the time the Manchurian Incident broke out, which, however, has recently made a jump to 1,600. We must therefore not relax our attention in the least. Knowing that the Japanese planes are unable to cross the border and attack Soviet's centers of national activities such as industrial cities, she contemplates practising air-raids over important points in Japan, by checking the advance of the Japanese army at the fortresses. And this the Soviet side announces in public (From the Lieut. Colonel's talks on the crisis of 1936).

Soviets Invade, Armed With "Thought"

(By Captain Shinobu Gondo (權藤忍), Military Affairs Investigation Committee—Rikugun Gaho, Feb.)

It is observed that the sovietization of the border provinces of China by Soviet Russia is steadily increasing in strength. Of course this is a clear evidence that there has been no change in the traditional positive policy of the Soviets since the days of the imperial regime, yet it is undeniable that the appearance of Manchukuo, that is, Japan's powerful advance to Manchuria, constitutes a principal cause. In other words, in consequence of development of the Japanese influence into Manchuria, a powerful restraint has been put upon the Soviet program of coming down south from north Manchuria, which compelled Soviet Russia to seek her Far Eastern route somewhere else.

Seeing the powerful existence of Japan in Manchuria and the situation of Japan's preparation at home, Soviet Russia realized the wisdom of using discretion in her aggressive Manchurian policy. This is why she is gradually shifting her tactics. It is surmised that in this way the Soviets selected two outlets to the Far East, one of which is Sinkiang Province, which is conveniently situated to have the Red army shake hands with the communist army in the central part of China, and the other is Inner Mongolia and the adjacent regions through which she contemplates making a wholesale attack against Manchukuo in the event of the Japanese influence in Manchukuo declining or of Japan's standing internationally in a disadvantageous position.

Our minute attention is drawn to the fact that the war of modern age cannot be confined to armed conflict, for it accompanies economic and thought war. In this respect Soviet Russia's communist activities are especially noteworthy, for through Bolshevist propaganda the plans to achieve invasion, without resorting to arms. Sovietization is a means of invasion just like war.

Soviet's Armament in Siberia

(By Lieut.-Gen. Katsura Hayashi (林桂), Chief of the Preparation Dept. of the War Office, Tokyo Asahi, Jan. 8)

Soviet Russia beyond the Soviet-Manchukuo fontier has 11 divisions comprising altogether 120,000 men, 350 airplanes and 300 tanks. Included among the planes there are those having the capacity of several tons and 2,500 kilometres; these could make a return flight to Japan, for it is only 1,000 kilometres between Vladivostok and Japan. The fortress of Vladivostok has been remarkably improved and fortresses of new type have appeared nearly completed at various places along the Soviet-Manchukuo border. It may be that she does so for a self defensive object, but she regards armament a tool for sovietizing the world. As stated by Lenin, "It is the Red army's object not only to take charge of the home defensive work but act as the vanguard for Bolshevization of the world." A good number of the "vanguard" is stationed in the neighborhood of Manchukuo, showing activities in various directions in cooperation with the secret maneuvering of the Communist Party. The members of the Committee of the Communist Party now reach several hundred, while a few hundred are said to have entered from China as their sub-committee members of north Manchuria. In this way the Soviet Union is making steady preparation for its ultimate object of the world sovietization, with north Manchuria as the starting point. This is our view. Only we are unable to predict when all these preparations will commence positive activities. At any rate, the existing force in Siberia is not sufficient to launch a determined action.

Relations Between Japan, Manchukuo and the Soviets Require Our Due Attention

(By Lieut. Col. Tomobumi Suefuji (末藤知文), Seiji Keizai Jiron, Jan.)

Rumors have recently been circulated that relations between Japan, Manchukuo and Soviet Russia have become so strained that the outbreak of a war is inevitable or even that an armed conflict has already begun in the Soviet-Manchukuo fontier district. Of course these are false reports, but at the bottom of these exaggerated reports there are questions such as Manchukuo's protest regarding the C. E. R., the stranded C. E. R. purchase negotiations, Soviet's augmenting her Far Eastern forces and the construction of strong fortresses at important strategic points along the border, also the outburst of the alleged official notes case.

The Soviet side keeps strict guard of the frontier, placing G. P. U. along the border-line, whereas the Manchukuo side has no such defensive measures worthy of special mention. It is therefore nothing strange that the Soviet troops act arbitrarily in the frontier district. According to my investigation at the town of Tungning (東寧), situated at the eastern extremity of Kirin Province, over 60 persons were shot dead by the G. P. U. in the neighborhood of the town.

Generally speaking, the Japanese lack due recognition of the frontier. In the border district cases of smuggling and other unlawful practices, attended by consequent disputes, are almost constantly met with. Probably it is these petty occurences that are exaggerated into the rumor of an armed conflict.

The Chinese Eastern Railway is the only foothold for the Soviet's economic development in Manchuria and at the same time it is a powerful pedestal upon which she conducts communist propaganda in Manchuria. Taking advantage of the outbreak of the Manchurian Incident and subsequent tangled situation, Soviet Russia carried away into her country 90 locomotives and 3,600 cars, and this constitutes one of the most important causes of the C. E. R. trouble now brought up to the surface. The Soviet side tries to justify her action on the ground that she is the proprietor, as the assets belong to the C. E. R., while Manchukuo denies the assertion, for the reason that the railway is under the two countries' joint management. Each has held fast to this standpoint. Though the C. E. R. is controlled by the two countries, the actual authority is possessed by the Soviets and this authority has been increased since 1929. Under such circumstances Manchukuo demands placing the business under real joint management, and judging from the nature of the co-management, this demand on the part of Manchukuo is, I believe, justifiable.

With the final object of communizing the world the Soviet Union attempts at fulfilling her ambition of sovietization with the C. E. R. as the foothold. That this does not co-exist with the state policy of Manchukuo is as clear as day. If this communist propaganda becomes aggravated, it will greatly affect the administration of Manchukuo and it is feared that the relations between the two countries may thereby be strained to an extremity.

At the outbreak of the Manchurian Incident the Soviets began entertaining illusory fears that the Japanese army might invade her territory in the Far East followed by the reinforcement of forces in Siberia. The military forces now stationed east of lake Baikal are roughly estimated at double as strong as those before the incident, while the number of airplanes and tanks is five or six times that before the incident. Furthermore, at several important strategic points along the frontier strong positions have been constructed. It may be that the rumours now extensively circulated emanated from those who actually witnessed such elaborate war-like preparation or from those who heard of it.

Some may have circulated the groundless reports merely to please others but some may have purposely fabricated things for their own business purposes. The nation ought to be always on its guard against the prevalence of such false reports and should look the matter fully in the face.

War is not an affair to be handled carelessly. If we fight at all we should fight staking the fate of the country. The Japanese are peace-loving people and it is absolutely impossible that they

invade their neighboring countries without due reason or purposely turning petty troubles into war.

But if once the peace of the Orient is disturbed, our right and interest in Manchuria and Mongolia is threatened or the healthful growth of Manchukuo is menaced, such a perverse country must, in view of Japan's mission in the Orient, be repulsed at any cost.

It must be stressed that although relations between Japan, Manchukuo and Soviet Russia are somewhat strained at present, yet it cannot be denied that the situation is not yet so helplessly aggravated that an outbreak of war is inevitable. Nevertheless, it is also undeniable that the Soviets, having reinforced her forces in the Far East and garrisoned the frontier, stand face to face with Manchukuo and Japan, flying red banners that symbolize the breaker of international faith. Against this menace both Manchukuo and Japan must be perfectly prepared, and for this purpose it is the most urgent need for the nation to see that it is perfectly ready for any happenings mentally as well as militarily.

How could we think of brewing international trouble when the country's diplomatic crisis in 1935-6 is drawing near? To be perfectly prepared for any emergency that may arise is most essential.

Critical Soviet-Japanese Relations

(The following views were expressed at a recent meeting of influential military authorities on Soviet Russia held under the auspices of the Shincho Sha Publishing Co.—January issue of the *Hinode*).

Shinsaku Hirata, civilian authority on military affairs: As to the issue of the Soviet-Japanese war, I do not think the enemy will emerge victorious, but we must not be unprepared. This is because the present Soviet army is not what it was and it wants to show the change. So, it may take a decisive step. This is why I recommend that the Kuantung forces be redoubled in strength in order to discourage the Soviet's strategy. Possibly the conflict may lead to a great war. Though we are not desirous of crossing swords, yet we must not forget that with an ordinary sort of strategy there is no prospect for victory on our side, because the opponent is such that it makes the world revolution its final object. Since it is Soviet Russia's unfailing strategy to lead the enemy to a disadvantageous situation not only in military but also in all national activities, we must never be contented with merely depending on the military service.

Major Kenji Shimonaga, Instructor of the Staff College: With regard to the conditions in Outer Mongolia, the Japanese are not a little concerned about its being communized. But in my opinion Outer Mongolia has never been sovietized. As the life of the inhabitants there is still primitive, no effort of the Soviet Government will bear fruit. The Mongolians say, "The Mongolians' life is still in a primitive stage and is about to enter the period of capitalism. It is only after they find themselves in a period of capitalism that they would listen to theories of communism. Naturally, any theory of the division of fortune would not interest them in the least." Besides, they grudge having to lose their precious live-stock under the Soviet's reign, and the fact that old Lama temples are destroyed as the result of Soviet's demonstration of the principle of non-religion constitutes another major discontent of the natives. No misgivings need be entertained as to the conditions in Outer Mongolia. My study of the movement of Soviet Russia shows that if a war should break out between Japan and Russia it would be fought all over the territory of China and not in or near Manchuria. The Soviet's army would come down along the Yellow River while the Sinkiang influence, which now reaches Loyang and Outer Mongolia, will supply another route for the Red army's southern advance. Thus the Russian influence is marching toward China Proper like a glacier. This shows that if the clash between the two countries is inevitable the seat of the collision must be in all parts of the Chinese Continent.

Major Hayashi, Inspection Section of War Office: It is true that at the Soviet-Manchukuo border Russia has constructed in many places of strategic value permanent defensive works in concrete. They serve not only for defensive but offensive purposes. In the face of Japan's unaggressive attitude as evidenced by her withdrawing the troops after their successful expedition to Jehol and by disclosing the actual strength of the Imperial army stationed there, the Soviet side is absorbed in strengthening her Far Eastern army. Japan's entertaining misgivings as to the possible turn of the attitude of Soviet Russia is therefore not unreasonable.

The expansion of the Soviet's air forces is also done on an astoundingly big scale. In the Far East poison gas exercises are practiced. In the direction of Primorskaya Province there are twenty super-heavy bombers. The military exercises carried out in summer, 1933, made Japan an imaginary enemy. All these elaborate military activities gives us the impression that the Soviet army may at any moment take the offensive. Seeing that with its astoundingly elaborate defensive measures the Soviet's army besieges Manchukuo as if ready to pounce upon it at a moments notice, we the Japanese, cannot afford to remain idle.

Major Kazumaro Horike, Inspection Section of War Office: A Russian soldier who had been to the seat of the mimic battle once told me, "As it is Japan's common practice to attack unawares, to fortify its frontier in order to provide for such a surprise attack is nothing unnatural to the Russian side." Another remark of his was, "Formerly the Russian army failed every time it fought, but the Red army has been always victorious." With reference to his latter remark, I am reminded of the Manchuli incident in which a Chinese troop was annihilated by the Red army. The Soviet soldiers have a way of saying, "Our victory over the Chinese troops at Manchuli was indeed brilliant and we guarantee the same will be the fate of any alien troops which dare attempt at disturbing our frontier. The same can be said of Japanese troops which are wont to attack unawares." This the commanders ulitize as a means to foster the spirit of loyalty and patriotism of the men and this is referred to at all places and occasions. In the face of so "brilliant" feats of the Red Army Japan reaped far more wonderful results this time in Manchuria and greatly humbled the pride of the Red army. Hence no wonder that it feels unpleasant. In my view the failure of the Five Year Plan, which caused her internal difficulties, will not allow Soviet Russia to stand up to take the offensive, but it is nevertheless a fact that her defensive work now going on is elaborate. For the present she will refrain from taking an aggressive attitude but once placed in an advantageous position she will sift the strategy from the defensive to the offensive. Russia fears Japan most. And it is for this reason that she concluded non-aggression treaties with her western neighbors so that more energy might be poured into her program in the Far East. From this point of view it can be said that the Soviet's diplomacy has thus far been successful, and this despite the fact that the Communist Party is hated like a viper in all corners of the world. In striking contrast to this, Japanese diplomacy has done nothing worthy of mention save for the struggle in the League of Nations. It is up to Foreign Minister Hirota to see that the country is relieved of a possible "enveloping attack," either by befriending America, cultivating friendship with Germany or by other means.

Mr. Hirata: Before setting about the execution of the Five Year Plan it was Soviet's strategy to lead the enemy far into her own territory and when the enemy troops are exhausted due to lack of lines of communication and foodstuffs, to give a final blow to them. A huge army after the Five Year Plan, however, made her effect a decided turn in military strategy, and there prevails the view that such tactics are not in accordance with the traditional strategy of the Red army. Though still retaining a defensive hue, the Red army is growing deeper in offensive coloring and it may be that it will come out boldly in an offensive whenever there is a chance. In Japan we often hear the talk, "Once the Nippon sword is drawn the entire territory east of Lake Baikal will belong to us," but in view of the above mentioned facts I wonder whether such an idea will really come true. As to the question of the Red army's advancing into Manchuria, I should think such may be impossible. But if once it has invaded the Manchurian plain the situation will make a radical change. From the fact that it required the Japanese army as long as a month to put to an end the Shanghai trouble, though under an admittedly disadvantageous position, I am not sure how long it may require to occupy Vladivostok—3 days or a month.

Mr. Hirota: The Russian side demonstrates that it is Japan that challenges. In view of her having amassed in Siberia so big forces it ought to be quite clear which is the aggressor. We hear that submarines have been brought round to Vladivostok. As they must have been sent by rail taken to pieces, they must not be of large type. It is worthy of note in this connection that the Russian Navy carries out an exercise in the operation of submarines against a fleet, and through repeated practices it has reached a conlcusion that, though small and inferior in merit, submarines are always victorious. Convinced in this way of the real worth of submarines, the Russian navy will, in case of war, utilize their service to send Japanese transports to the bottom. To this point also our attention is drawn. There are Japanese and Manchukuo's warships in the Amur, but they would be powerless once exposed to the air-raid of the predominant Soviet's air forces.

Lieut.-Gen. Sato: The Japanese have grown to make light of war with the Soviets as the result of the Russo-Japanese War. They ought to quit the idea that it is an easy task to advance to the district of Trans-Baikal in a week or two following the declaration of war. The nation must be enlightened upon the fact that it was nor an easy task for the Japanese army to conquer Russian troops, although the people were elated over the continued reports of victory. The idea that every time they take up arms against Russia the success is theirs is indeed dangerous.

Chinese General Charged with Treason

It was announced in a telegram from Nanking Feb. 24, that the trial of General Chin Shu-jen, formerly chairman of the Sinkiang Provincial Government, on charges of treason, murder, arson and misappropriation, would be opened at the Nanking District Court March 16. General Chin is accused of concluding with the Soviet Government an agreement derogatory to the national interests, of causing the massacre of people in Sinkiang, and of having misappropriated large amounts of provincial funds. Although the venue of the trial will be at the Nanking District Court, the trial court is actually the Kiangsu Higher Court, as, according to Chinese law, the Higher Court has original jurisdiction over cases involving charges of treason.

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68-017

Stanley Hornbeck Expounds Principles of American Policy in Relation to the Far East

The following is the text of an address delivered at the Ninth Conference on the "Cause and Cure of War," at the Washington Hotel, Washington D. C., January 18, 1934, by Stanley K. Hornbeck, Chief of the Division of Far Eastern Affairs, Department of State, Washington, D. C.

YOUR Committee did me the honor to ask that I give you a "factual statement on the foreign policy of the United States as it relates to the Far Eastern situation." I replied that I would be glad to attempt to make a statement with regard to "Principles of American Policy in Relation to the Far East." The reason for my making what might be called in the language of business or diplomacy a "counter-proposal" was that, having tried many times to do so, I find it quite impossible to describe the policy of the United States as it relates to the Far Eastern situation as a thing apart. Moreover, the socalled "Far Eastern situation" is constantly changing.

Policy has to be considered either from point of view of principles or point of view of execution. It is necessary to distinguish clearly—although it is not possible at all times and in all connections to draw a line—between principles of policy and execution of policy. "Policy" is a term designative of attitude, desire, objective and intention. Execution of policy is a matter of expression: it relates to and involves plans, courses of action, agencies, instruments, strategy and tactics: operations. In principles of policy we have something more permanent, something broader and deeper, something on which policy rests and by which it is guided.

For those reasons and for others which will be apparent as we proceed, it seems to me more practicable and useful to try to indicate what are the principles of a policy than to attempt to give an account of "operations" in relation to a constantly changing situation.

I do not come as, nor would I pose as, one able to speak with "authority" or with any degree of finality. I am studying this subject—just as you and others are studying it. In what I shall say, I am not speaking for the Government, nor am I expressing views as from, of, or for the Department of which it is my privilege to be an officer. For what I shall say, I alone will be responsible. I shall make some affirmations to which there may not be universal assent. I shall suggest some questions to which only the future can give the answers. I would ask that you keep in mind the subject. I shall try to keep to it. I shall try to make my statement objective. It follows that as far as possible I shall avoid expressing opinion, especially opinion within the realm of moral or political appraisals.

Think, then, of policy, and in particular of principles of policy.

On the basis of a good deal of consideration of the subject I have long been of the opinion that the principles of American policy in relation to the Far East are in no way separate or distinct from those which underlie the foreign policy of the United States in general.

It therefore seems necessary to ask what are the principles of our foreign policy in general.—And to know and understand these we must ask first: what are their Sources.

I.—SOURCES OF POLICY

1—Foreign policy is a living thing. It grows. It is not unlike a tree. It has roots in the soil from which it springs. It has a trunk, branches and leaves in the atmosphere in which it becomes visible and where it affects and is affected by the thousand and one factors of its environment. From the soil it draws most of its substance. From the atmosphere and its general environment above ground it derives factors which contribute to the determination of its size, its shape and other qualities.

In this country policy has its roots in the minds and hearts of the people who constitute the nation. Thence it draws most of its substance. The nation is an aggregation of 125,000,000 persons. The thought, the attitude and the objectives of the nation are products of heredity and environment. Not all of the people are articulate, but every one of them has some influence upon the making of policy. The influence of many of us, at any moment, may be, it is true, merely or almost negative, but nevertheless, even so, it has an effect.

Under our Constitution sovereignty resides in the people. The people elect the legislators who make the laws and the principal executive officials who administer them. The Government, any administration, may lead or may follow public opinion, but it does not go far ahead of, it does not lag far behind, and it cannot in any major matter proceed in disregard of the attitude or inclination of the nation as a whole.

It is the first business of the Government of the United States to safeguard and promote the interests of the people of the United States. These interests are both domestic and foreign, they are both national and international. Who decides what they shall be? Who decides what the attitude of the United States toward their safeguarding and promotion shall be? Who decides what agencies shall be employed in expression of that attitude? Who, by control—through the Legislature—of the purse and of the power to declare or to refuse to declare war, decides what strength and what authority these agencies shall have and in what direction and how far they shall move? The answer to each and all of these questions is, it seems to me: The American people.

Mr. Kellogg said aptly several years ago: "Let us get it clearly in mind, then, that the foreign policy of a country is a slow growth. . . . . .

"If you want to know what it is at a given moment, you must take into account. . . . . the whole history of the country as far as its international relations are concerned. For there cannot be a bit of doubt that we do have a foreign policy . . . . one that is not the work of any individual or of any Administration, simply the traditional and historically developed policy of the United States which every Secretary of State strives faithfully to interpret and to apply."

2.—What then has been the history of the United States? It has been that of several streams of emigration from European countries into a land of vast extent and great resources; of the occupation of that land and the development of its resources; of the making of a new nation; of the taking by that nation of a place in the family of nations; and of advance by that nation into a place among the leading nations of the world.

This nation is made up of men and women descended from ancestors within whom, for one reason or another, there developed the urge to seek a greater measure of freedom and larger opportunities than were afforded them in the lands of their birth, who were willing to take the risks and endure the hardships of leaving the soil and the society in which they had grown up, who sought and found a new environment, who had the courage and the capacity to create and to maintain a new society.

For the most part, the people who came as colonists to central North America came with no thoughts of conquest. They came to found homes; they sought opportunity to live, in freedom, and, if possible, in comfort. They wanted peace. Yet they fought. They conquered men and they conquered nature. They took lands; they built; they created commonwealths. Their descendants fought—for their national independence. They made of the States which their fathers had created a Union. The next generation fought—to enforce respect for the rights of their country as an independent member of the Family of Nations. A later generation fought—to decide whether the Union should endure. Our own generation has fought—on behalf of the principle that States and peoples shall be permitted *to live* their own lives in *security and in peace*.

The American people have fought—for opportunity, for national existence, for principles, for peace. Otherwise, however, they have been very busy for three centuries with problems relating to the creation and maintenance of an independent state and a free citizenry. Until recently, their chief concerns have been *agriculture*, *transportation*, *mining*, *manufacturing*, *trade*—and *education*. Their chief interests have been domestic.

However, having as a nation rounded out their continental frontiers, having made of their country a world power, and having during the last three decades overcome or been deprived of their national aloofness, the American people have been brought in the present generation right up against certain age-old problems in *International Relations*.

It is a habit of the American people, when they come in contact with problems to try to do something about them. Already the American people have taken a position in the forefront among the nations in the desire to contribute constructively to the solution of some of these problems. And one of those problems is that of *world peace*.

3.—Judge John Bassett Moore has emphasized the point that the keynote of the foreign policy of the United States from the outset was "freedom founded on law." There has prevailed among the American people the concept that, whether or not all men are "born free and equal," all men should have free opportunity for self-realization. Translated into the political field, this means that laws should not be discriminatory, that laws should in fact provide for and as far as possible *ensure* equality of opportunity. Projecting this concept into the field of international relations, the American people have believed and continue to believe in principles which are expressed in the formulae of "sovereignty," "independence" and "equality of opportunity."

Thus American foreign policy in general has been shaped by the belief of the American people that free states should remain free, that peace is or should be the norm in human relationships, and that important among the conditions essential to enjoyment and maintenance of peace are respect by all states for the rights of other states and fair treatment by every state of those who live within or come within its jurisdiction. In the realm of formulated effort, the principal major objectives of American foreign policy since the earliest days of the Republic have been, first, to safeguard this country's position as a free and sovereign state and, second, to obtain for American nationals and American trade assurance of equal opportunity and fair treatment in every place to which American citizens, American ships and American goods may choose to go.

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From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

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In recent years, however, there has been added a new objective. This nation, now potentially stronger than any other, has become deeply impressed by the concept of World Peace. Be this attributable to inherited liberalism or to acquired conservation, to expanding altruism or to change of circumstances; whatever the hows and wherefores; whether for good or for bad, for better or for worse, this is, apparently, a fact.

The contemporary effort to deal with the problem of peace is one of the great developments of the post-war period. Nations are talking peace. Statesmen are endeavoring to create machinery for maintaining peace. However, that effort can have little effect unless at the same time the conditions of life of men and nations be so altered, so improved, that the irritants and incentives which occasion resort to force disappear. Statesmen may devise all sorts of machinery; but the conditions which will make it possible for peace machinery to function effectively must be produced by the common effort of many peoples. That problem is a world problem. It has caught the imagination—if not yet the hard thought—of the American people. And to the challenge of that problem the people of this country are more and more turning their attention.

Hence the American Government during recent Administrations has directed toward that objective much of its thought and effort in the realm of foreign policy.

5.—The makers of this country fought for a national existence and national security. Do the American people in the present generation understand that these can be maintained only at a price? Are they willing to pay the necessary price for their assurance? They now wish for world peace? Do they so ardently desire it that they will be willing to contribute their share of a fair price for its attainment? We were told in 1918 that we were fighting to "make the world safe for democracy." Would this country be willing to fight again—and perhaps repeatedly—toward that end? Can it by sheer moral force, intelligently directed, so conduct itself and so influence other nations as to attain that end without further fighting? To these questions the answers lie in the future

6.—In these facts and in the answers which may be given to these questions there is to be sought, in my opinion, knowledge and understanding of the principles which underlie the foreign policy of the United States.

II.—Evolution and Content of Policy

Probably the most common error made by those who discuss policy is that of failure to distinguish between principles and execution. Principles are a reflection of the thought and the desires of the nation. Execution relates to application, in action, of principles. The governments, the administrations, the officials responsible at any given moment for the conduct of affairs, find a great body of principles and a collection of practices in effect. Here, they may make alterations, of addition, of subtraction, destructive or constructive. They may or may not make declaration of the principles and practices which will be employed in the conduct by them of foreign relations. For the most part, however, their task is that of execution. This involves formulation of plans of action, putting plans into operation, and meeting and dealing with situations and problems in existence or which arise. Incidentally, in political matters, what we call "action" may or may not involve activity. The making of a decision is a matter of action, whether the execution thereof requires activity or inactivity. In the latter case we have what is called negative action.

The "foreign policy of the United States" and the principles thereof are matters the general outlines and content of which are well understood by a considerable number of students. The attitude and the objectives of the nation do not change greatly from month to month or from year to year; nor do they often change abruptly. Less well understood—and all too often confused with policy—are what may be called the strategy and the tactics by which officials endeavor during the comparatively short periods for which, in succession, they are in office to execute policy. Here there is variety, here there may be substantial and often comparatively abrupt changes, from administration to administration, or even during one administration.

For present purposes we are not considering strategy and tactics. Often, however, not only principles of policy but substantial elements of strategy and tactics are disclosed in public statements or in communications which are made public.

I should like to ask that you look with me at a few documents, or parts thereof, which, though drafted by or uttered or issued by individuals, are expressive of the attitude and intent of the American people in the field of foreign relations. There will be apparent, as we proceed, indications not only of the sources but of the content of our foreign policy, together with some examples of strategy and tactics.

For this purpose we must begin, naturally, by referring to Washington's Farewell Address. In his "Last Words to the People of the United States," on September 27, 1796, Washington, addressing "Friends and Fellow Citizens" said, in part:

"The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. . . . . .

"Europe has a set of primary interests, which to us have none, or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

"Our detached and distant situation invites and enables us to pursue a different course. . . . . .

"Why forego the advantages of so peculiar a situation? . . .

"'Tis our true policy to steer clear of permanent alliances, with any portion of the foreign world; . . . .

"Taking care always to keep ourselves, by suitable establishments, in a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

"Harmony and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an *equal and impartial* hand; neither seeking nor granting *exclusive* favors or preferences; . . . . constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence, for whatever it may accept under that character; . . . . . .

How much have we, in the course of a hundred and thirty-seven years added to and how much have we subtracted from facts underlying and the idea expressed in that statement?

a. In his annual message of December 2, 1823, President Monroe made, after prompting from various quarters and on the basis of a Cabinet discussion, certain pronouncements in declaration of policy,—whence the socalled "Monroe Doctrine." In the course of these, there appeared statements as follows:

". . . . the occasion has been judged proper for *asserting as a principle* in which the rights and interests of the United States are involved, that *the American continents*, by the free and independent condition which they have assumed and maintain, *are henceforth not to be considered as subjects for future colonization by any European powers.*"

". . . . We owe it, therefore, to candor, and to the amicable relations existing between the United States and those powers, to *declare* that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety. With the existing colonies or dependencies of any *European power* we have not interfered and *shall not interfere*. . .

". . . . Our *policy in regard to Europe*, which was adopted at an early stage of the wars which have so long agitated that quarter of the globe, nevertheless remains the same, which is, *not to interfere in the internal concerns of any of its powers; to consider the government de facto as the legitimate government for us*; to cultivate friendly relations with it, and to preserve those relations by a frank, firm, and manly policy, meeting, in all instances, the just claims of every power, submitting to injuries from none. . . . "

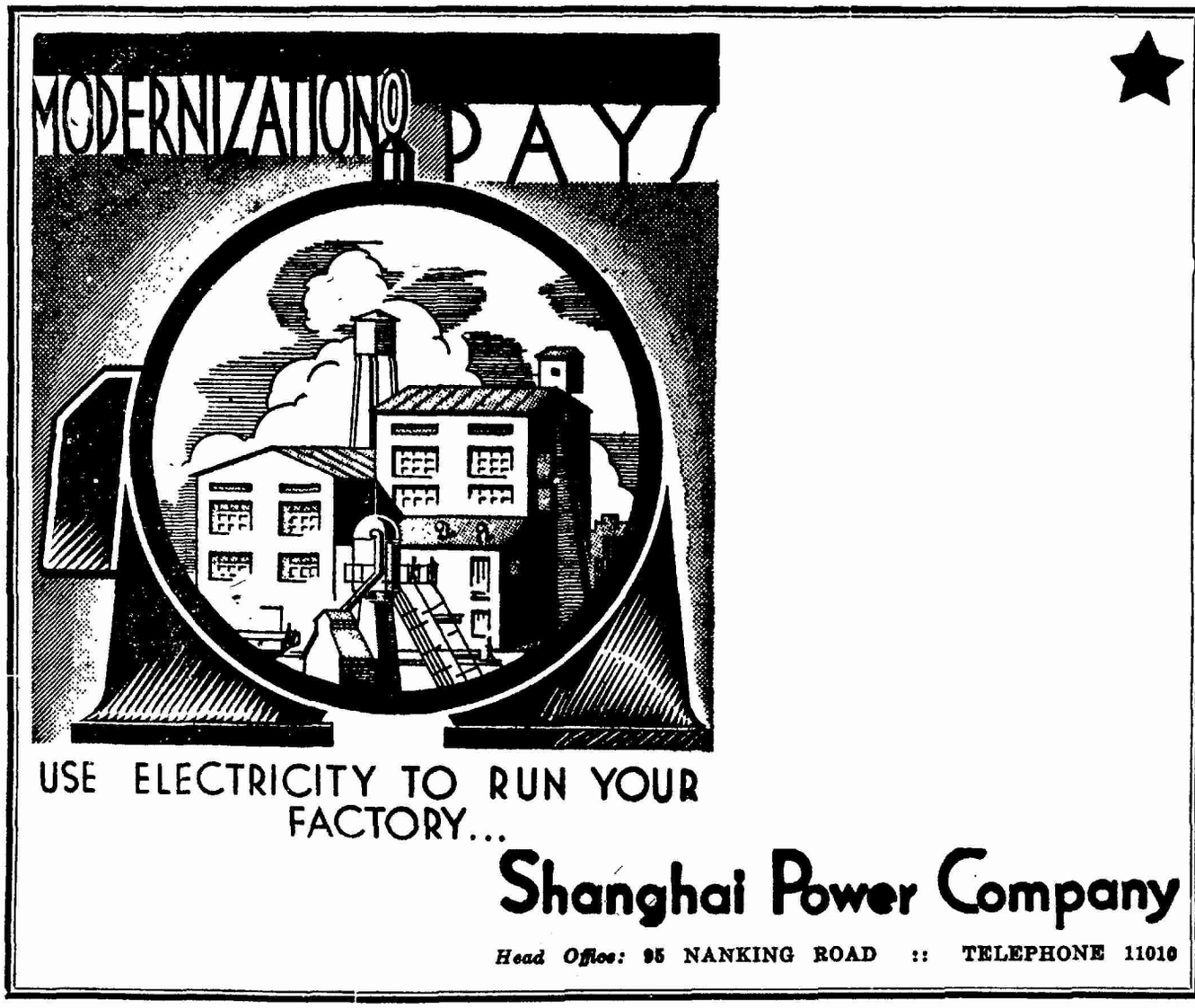
In what I have quoted we find an almost complete statement of the fundamental principles of the Latin American policy of the United States; and more even than that: a fairly broad statement on the fundamental principles of what might be called our "European policy" and even of our foreign policy in general. All of this was an enunciation by one man—the man, however, who was at the moment the President of the United States—of views which had developed among and which were held by the people whose spokesman he was. And these views appear still to be held, for the most part, by the people of the United States.

b. Now turn to another part of the world, the Far East.

That which is called "American Far Eastern Policy" has grown from and has been shaped by the belief of the American people that free states should remain free—in the Orient as elsewhere—and that nations should live and let live with due respect for the rights and interests of one another. In regard to all parts of the Far East, the American people have viewed with disapproval tendencies—where manifested—toward imperialistic angling in troubled waters. Also, they naturally have assumed that they themselves have there as elsewhere certain rights and in connection with them certain obligations. These conceptions the American Government has translated into statements and action, in one administration after another, and the resultant policy has grown consistently.

When our diplomatic relations with China began, the first and principal positive objective of American official action in regard to China was—as it had been and has been elsewhere—to assure for American nationals a fair and equal opportunity to trade, but with due respect for the rights of the Chinese as an organized nation in a sovereign state. In 1842, Commodore Kearny, of the U.S.S. "Constellation," addressed to the Governor of Canton a communication in which he asked that citizens of the United States in their trade should "be placed upon the same footing as the merchants of the nation most favored." In 1843, in his letter to the Emperor, President Tyler said, among other things, "Our Minister, Caleb Cushing, is authorized to make a treaty to regulate trade. Let it be just. Let there be no unfair advantage on either side . . . . " The most important provision—although not the most distinctive—in the treaty which Cushing concluded with China, in 1844, was the provision for most-favored-nation treatment.

(To be Continued)



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Muncipal Council Rejects Chinese Plea for More Representation

The Municipal Council at a regular meeting on February 21 considered a letter received from the Chinese Ratepayers' Association informing the Council that the Executive Committee of the Association had resolved that, on the basis of the present distribution of seats on the Council, an increase of four seats in the Chinese membership, making a total of nine, should be effected in the current year in consonance with the letter and sriirit of the communications exchanged in 1928, when three Chinese were first admitted to membership. The letter also expressed the hope that this step would lead to a further increase of Chinese seats on the Council "until such time when Chinese representation becomes in proportion to Chinese taxation, so that there will be closer co-operation between the Chinese and foreign communities to the benefit of all concerned."

The Council, while sympathetically regarding the aspirations of the Chinese community as set out in this letter, decided to inform the Chinese Ratepayers' Association that, having regard to the comparatively short period during which Chinese members had been elected to the Council and the trend of public opinion in the foreign community, the foreign members of the Council did not consider the present time opportune for a further increase in the Chinese membership or that a proposal to effect this would be supported by all the representatives of the interested foreign Powers.

Kobe's Trade with U.S.A. in 1933 Was Properous

The ports of Kobe and Osaka showed a larger trade with the United States during 1933 than in previous years, thus reversing the downward trend of business history throughout the world generally. The notable fact is that the United States sold more to these two Japanese ports than it bought. The main feature of the imports from the U.S. to Kobe was a total of Yen 207,798,509 of raw cotton to Kobe and Yen 116,139,076 to Osaka. As against this the U.S. bought Yen 106,275,786 of raw silk from these two Japanese ports. These two articles far overshadow all other products either as exports or imports to the respective countries. The next largest item of Japanese export is pyrethrum flowers (base of bug exterminating powder). Yen 4,910,125; of imports to Japan from the U.S.A. the next item after raw cotton is wood pulp to a value of Yen 4,766,169.

$60 Million Railway Corporation Founded in Kiangsi

To facilitate the completion of the Yushan-Pingsiang Railway across Kiangsi as well as to improve the railway system in Chekiang and Kiangsi, a joint Chekiang-Kiangsi Railway Corporation will be established by the Provincial authorities concerned.

According to the regulations formulated by the Ministry of Railways the Corporation is to be capitalized at $60 millions. It will undertake the completion of the Yushan-Pingsiang Railway on behaif of the Ministry of Railways and the Kiangsi Provincial Government; operate the Hangchow-Kangshan Railway on behalf of the Chekiang Provincial Government; and construct or operate the various branch lines in the two provinces on behalf of the Ministry of Railways and the Provincial Governments of Kiangai and Chekiang.

U.S. Cotton and Wheat Loan to Be Revised

The U.S. $50,000,000 American Wheat and Cotton Agreement is be revised. Thus far about $4,000,000 worth of wheat has arrived in China, but owing to the lack of demand and the subsequent drop in the price of wheat the Chinese Government is stated to have suffered a loss of about $1,200,000 and further losses are in prospect. As regards the cotton called for under the contract the Chinese Government is not expected to be able to dispose of it all within a year. As a result the Government will also suffer through the sale of cotton. The *China Times* says the Chinese Government has decided to approach the United States Government for the revision of the Loan Agreement, to which the latter is reported to have already agreed.

Some Notes on Japanese Women---in Factories, and Elsewhere

THE development of the factory system in Japan seems to coincide with the increasing degredation of its women. Information supplied by the Japan Cotton Spinners Association, Tokyo Branch, is to the effect that labor for the principal cotton mills—the figures below refer principally to the Kanegafuchi mills —is recruited mostly in the provinces, chiefly farmers' daughters between the ages of 14 and 20. The largest percentage of workers are 18 to 19 years old, quite a few being as old as 25. The average period of service per girl is 2½ years. Applicants for jobs must have finished the compulsory elementary school education, usually at 14. No indenture is signed either by the worker or by her guardian (father or elder brother), documents required by the company of the supplying worker being the school master's certificate, an abstract census register, and the guardian's consent to the girl's working in the factory. Women workers are paid during the first two to six months of service at the rate of 40 sen to 50 sen per day, (12 to 15 cents U.S. money). After a six months' period of training a worker gets a raise to 60 or 70 sen per day; moderately skilled girls get 68 to 70 sen, the most skilled Yen 1.20 to Yen 1.30. This lowest scale wage is paid to operatives below one year's experience, same comprising one-third of the workers. The medium skilled represent 60% of the total, and the most skilled the balance, viz. 7%. When operatives are discharged for sickness or other causes, bonuses ranging from 40 days to 60 days of wages are given to those who have finished one year's service with the company. Of some 2,400 operatives working in the Tokyo sheds of Kanegafuchi mills, 1,500 women workers and 80 men workers are housed in the company dormitories, while 350 women and 350 men operatives live in the town.

Workers have access (free of cost) to libraries, amusement hall, (where cinema is shown) tennis, pingpong, and other sports facilities. Other benefits: free medical attendance, health insurance, low cost meals, 15 sen a day for three meals (boiled horse meat, cod fish, noodles, boiled onions, fried bean curd, boiled pork, rice and many vegetables apper in the menu) which are paid for by the workers; free practical supplementary courses for girls: practical ethics, etiquette, reading, composition, penmanship, housekeeping, cooking, Japanese and foreign dressmaking, singing, sports, dancing, two courses, one regular and one post-graduate, each of three years, 17½ hours per week; hours of lessons: first-shift workers—from 9 to 11.30 a.m. and second-shift workers—from 5 to 7:30 p.m. (not compulsory.)

The hours of labor are as follows:

	First-shift workers	*Second-shift workers*	*Third-shift (machinists, etc.)*
Starts work.....	5:00 a.m.	2:00 p.m.	7:00 p.m.
Meal.....	4:30 to 5 a.m.	8:30 to 9:00 p.m.	6:30 to 12:00 p.m.
Quits work.....	2:00 p.m.	11:00 p.m.	4:30 a.m.
Meal.....	4:30 to 5 p.m.	7:30 to 8:00 a.m.	4:30 to 5:00 a.m
School	5.00 to 7:30 p.m.	8:00 to 11:30 a.m.	(none)

One ordinary trained female operative takes care of one frame of 460 spindles. One skilled operative works 1½ frames; very skilled ones, two frames. In the weaving shed, one operative tended 24 automatic (Stafford) looms, or alternatively, 12 non-automatic Platt looms. This was on lawn and triple-widths shirting. On narrower widths the operative could attend to 32 or 16 looms respectively. This compares with conditions in England where labor unions are able to hold down the number of looms per operative to five (recently increased to seven.)

Four holidays a month are allowed: Year-end and New Year holidays for four days, three national holidays and various seasonal holidays.

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The Seamy Side of Japanese Life

The story of how Japan has in recent years forged ahead in manufacturing, particularly in cotton goods, has already been frequently told. From nearly every quarter of the globe have come complaints concerning the fierce competition from Japan The basis of Japan's exploits in the cotton goods trade is an installed spindleage among the member mills of the Japan Cotton Spinners' Association of 8,092,958, reinforced with 78,866 looms.

But these is another side to Japan's developments. Women in Japan have not yet emerged from medieval conditions, and, although all countries have their seamy side, there is probably none where the conditions are so bad as in the Island Empire. One of the organizations which has been doing excellent work among the women of Japan has been the Salvation Army. This organization has gathered statistics which show that the number of licensed women in Tokyo is 49,477, and that of the keepers of houses of ill-fame is 11,081 (as of Dec. 1929.) Statistics up to July 31 show that there were 80,717 geisha girls, of which at least 60,000 are prostitutes. The Department of Home Affairs puts the number of licensed prostitutes in Japan at 300,000, but Salvation Army officers estimate the number at about a million. In Tokyo alone there are said to be 150,000 unlicensed girls, including so-called "cafe" girls. There are in Japan 20,598 cafe and bars and 89,549 cafe waitresses, (who are not waitresses in a Western sense). In Tokyo there are 7,166 cafes and bars, and 22,616 cafe waitresses.

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Women Are Denied Political Rights in Japan

The following article was contributed by Mrs. Kikue Ide to the Japan Advertiser of Feb. 11

To begin with the position of women in the government, particularly with reference to suffrage—it is not sufficient to say that woman's status is far inferior to that of men. Women are entitled merely to the right of petition and of attending political meetings; women have neither the right of joining political parties nor participating in the work of legislature; women are still unable to secure even the right of citizenship, which would make it possible for them to be in direct contact with municipal and community government. It is worthy of note, however, that within recent years, especially since the promulgation of the so-called General Election Law of 1925, the women of Japan have been working even more zealously than before to establish their position in politics, with an even deeper conviction that, without the vote, the position of women can never be insured in any way.

Concerning woman's position in the government, it should further be noted that women may now belong to and take office in any self-governing public body which makes its own constitution, such as agricultural associations, tax-assessing committees, committees on water rights, and the like.

Again, women may enter direct governmental service under the Department for Education; but here, as elsewhere, women may be appointed to minor offices only and are treated as hired employes without rank or title. According to the ordinance for appointing civil officers, two women thus far have indeed been accorded the rank of the lowest order of high officials, 124 others have been awarded the same title without the rank. The principle of equal opportunity is not yet established; women are not eligible to fill professorships in government or other public universities and colleges. The are only a very few women principals of primary schools, and no women heads of public high or middle schools.

Considering another important phase of public service, a word to two should be said concerning women in medicine and nursing. According to the census of 1925, there were 116,079 women engaged in this field of work, out of whom 764 were physicians, 44,776 midwives and 151,125 nurses; in 1931, 3,986 doctors and pharmacists, and 154,153 midwives and nurses. Those figures show that striking progress has already been made.

Coming now to the economic status of women, out of a total of approximately 29 million women in Japan Proper, according to census returns in 1925, 9,930,000 are engaged in gainful occupations. In other words, about one-third of all Japanese women are now at some sort of work, which means that they constitute more than one-half the total laboring class of the nation.

Not alone in numbers have women in recent years shown a great advance in economic position, but have also in the widen-

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ing scope of their work, gradually but steadily, on the one hand, emerged from "women-industries" into mechanical and metallic industries, and, on the other, ascended from physical labor to intellectual pursuits. With this new tendency, the women masses will not long be indifferent to their present status, which does not yet guarantee equal work, or women's economic independence.

Prostitution Is Based on Economic Grounds

On this unequal and unstable basis women find themselves in their relation to society. Thus for instance, there exists the public prostitute system, which still rests its claims on economic grounds. A girl may sell herself for her father's debts, or he may sell her for them. This and many other evils and vices of present day society ignore and degrade the woman. But with their advance in education, the women masses have awakened. By such social reactions, seen even recently, as the increasing numbers of nullified marriages where the husband was found an unfit mate, women have demonstrated that they have come to see what they are and what they might be in their relationship to the home, society, country—and even in international affairs.

Apart from what has been considered in regard to women's relation to the government, their position under private law, especially under the civil and criminal codes, is just as low as it was 30 years ago. Neither the single standard of morality nor the position of the wife, mother, or widow is as yet established in the eyes of the law. But here again attention should be called to the fact that, although the letter of these "time-honored" laws is still in force, the position of women in family relationships has been recognized already in many decisions of the courts handed down "in the spirit of the law and in consideration of the times." One example of this is in the granting of the custody of children to a divorced wife, which the law does not permit, but which has actually been done occasionally of late years. In this connection it is significant to note the recent passage of an amendment which makes it possible for women to be admitted to the bar and to the practice of law after the year 1936.

What then do all these facts indicate? Whether it be the improvement of the position of women in the eyes of the law or in economics, in government or in society, the establishment of true womanhood and motherhood in Japan today must rest first and last upon the foundation of woman's education. The right of citizenship is not to be secured by any law passed in the House of Peers, but will be assured to an educated womankind. Education must come always to that which will give it an eternal foundation.

Skoda Machine Guns to Be Used by British Army

The London *Daily Express* Feb. 23 stated that the British army will be equipped with machine guns made in the Skoda Works in Czecho-Slovakia. British military experts consider that the Lewis machine gun, used in the World War, is now obsolete. Experiments with American, Swedish, Danish and other foreign models have revealed that the Skoda machine gun is the most practical.

[This action of the British Government is in sharp contrast to the meticulous care with which in comparatively minor matters it is stipulated that articles furnished shall be of *British* origin. A recent example of this was the tender for frozen meat issued by the British Resident Naval Officer in Shanghai, which specified that it shall be imported from "H. M. Dominions" —that is British territory. But patriotic considerations are swept aside when it comes to machines with which to kill. Incidentally it may be mentioned that during the World War many a British soldier was shot down with machine guns that were manufactured in England and sold to the Continent either before or during the War—in the latter case through neutral countries. Britain is by no means the only country concerning which such an anomaly can be pointed out. It is here mentioned because it is the most recent example.—Ed. C.W.R.]

Statistics on Cotton Production in China

A total of 77,125,000 piculs of cotton was produced in eleven provinces in China during the past three years, according to a statistical report compiled by the National Economic Council.

The following data are given in the report:

	Provinces	*Quantities of Cotton*	*Percentage*
1.	Shantung	20,317,000 piculs	26.3
2.	Hupeh	19,110,000 ,,	24.8
3.	Kiangsu	11,632,000 ,,	15.1
4.	Hopei	9,872,000 ,,	12.8
5.	Honan	6,026,000 ,,	7.8
6.	Chekiang	4,266,000 ,,	5.5
7.	Shensi	2,132,000 ,,	2.8
8.	Hunan	1,655,000 ,,	2.1
9.	Anhwei	1,028,000 ,,	1.3
10.	Shansi	660,000 ,,	0.9
11.	Kiangsi	427,000 ,,	0.6

68-023

Why Do Chinese Farmers Give Up Sericulture?

BY PAUL K. WHANG (汪仲芳)

IT is no exaggeration to say that China's silk industry faces immediate extinction unless effective measures of relief can be found to arrest its downfall at the present time. For three consecutive years busineness depression has wrought such great havoc upon the silk industry that its downfall has become more and more a matter of certainty. At the time of writing this article, all the silk filatures in Central China, with a few exceptions, have been closed down indefinitely, the local matket has come to a standstill, and future prospects seem to be darker than ever.

We do not concern ourselves with the wholesale suspension of our silk filatures, for filatures thus closed can be reopened without difficulty when business prosperity returns. As a matter of fact, during the past three years, most of our silk filatures have been operated in an off and on manner in accordance with the change of business conditions, and only a very few well-established filatures have been able to maintain their operations continuously throughout these bad years.

But what concerns us the most is the tendency among the farmers to convert mulberry fields into other agricultural purposes. Because of the exceeedingly low price of cocoons, the farmers have found that sericulture has been no longer as profitable as other agricultural pursuits, and have chopped down mulberry trees from their fields. Investigations made at Wusih and Kiangyin, two sericultural centers of Kiangsu province, reveal that there has been a rapid decrease in the acreage of mulberry plantations during the past few years. In Wusih, the acreage has decreased from 251,000 mow in 1930 to 84,000 mow in 1932, and in Kiangyin from 124,000 mow to 54,000 mow during the same period. We have been told that this same tendency has been prevalent among the farmers also in other cocoon-producing centers, inasmuch as they have been all grieved at the continuous loss they have sustained in raising silkworms.

This rapid decrease in the acreage of mulberry plantations will invariably restrict the quantity of cocoon-production. Moreover, such farmers as have once given up sericulture can not easily be persuaded to take it up again, as mulberry trees which have been chopped down will take five to six years to grow to a size where their leaves can be used for feeding silkworms. Therefore if this tendency continues, the quantity of our cocoon-production will become less and less every year, and before long our silk industry will die a natural death.

In order to enable us to realize the distress of our farmers, it is necessary for us to go into the cost of production of mulberry leaves and that of cocoons. The value of mulberry land with trees in full production is about $80 per mow. Assuming an interest rate of 10 per cent, the interest on the initial investment is $8.00. The average farm laborer can cultivate eight mow of mulberry land, and the wage paid is about $0.40 a day without food, or $12.00 a month. Supposing the land requires the care of labor for four full months, the labor cost per mow is $6.00. The necessary fertilizer to be applied on a mow of land costs about $6.00. The land tax is $0.70 per mow. In tabulated form, the cost per mow per year is as follows:

Interest investment in land	$ 8.00
Labor	6.00
Fertilizer	6.00
Land Tax	.70
	$20.70

There is an income of about $1.00 per mow from by-products in the form of branches sold as firewood. The annual production of mulberry leaves per mow is about 8 piculs for spring crops, and two for summer. Therefore the net cost of producing mulberry leaves is approximately $1.97 per picul.

The above figures apply only to those producers who are wealthy enough to hire labor to cultivate the fields. The ordinary farmer works his own mulberry fields, and therefore will have no labor item on his cost sheet. In the latter case he has to pay annually $7.00 per mow to the landowner. Part of the fertilizer used will be bought, and part secured by himself. The cost of producing mulbery leaves per mow in this case, therefore, is as follows:

Rent on Land	$ 7.00
Fertilizer	3.90
	$10.00

Thus to those whose mulberry fields are self-cultivated, the net cost of producing mulberry leaves will be about $0.90 per picul. According to our rough estimation, it will require eighteen piculs of mulberry leaves to feed enough worms to produce one picul of fresh cocoons. Added to this will be the cost of silkworm eggs and other necessary expenses for purchasing rice stalks and cokes and repairing the equipments. Therefore if the mulberry fields are cultivated by hired labor, the cost of producing one picul of fresh cocoons is as follows:

Egg-sheets	$ 3.00
Mulberry leaves (18 piculs @ $1.97 each)	35.46
Rice stalks, cokes, and repairs	4.00
	$42.46

On the other hand, if the mulberry fields are self-cultivated, the cost of producing one picul of fresh cocoons will be:

Egg-sheets	$ 3.00
Mulberry leaves (18 piculs @ $0.90 each)	16.20
Rice stalks, cokes and repairs	4.00
	$23.20

It must be noted that in both cases the labor cost for caring for worms and the time required for mulberry trees to grow to size is not included. If the farmer has not sufficient hands in his family and has to hire outside labor at the rate of 40 cents per day without food, then the labor cost will also become a very large item in the cost of producing cocoons. The above figures apply only to the native eggs. In the case of disease-free eggs, not only will the egg-sheets cost more, but the worms will consume more leaves. Therefore the cost of producing one picul of disease-free cocoons will be higher than the above estimates.

Low Price of Cocoons

But during the past few years, the prices of cocoons were exceedingly low. The native cocoons were sold as low as $25.00 per picul, while the disease-free cocoons could not be disposed of at more than $35.00 per picul. In comparing the prices of cocoons with their cost of production, we can fully realize that sericulture is no longer profitable. Even those whose mulberry fields are self-cultivated and who can raise silkworms without the need of hiring outside labor can hardly recover their expenses. But there are only a few farmers who can carry on large production of cocoons in their family without applying for outside help. Thus why should they sustain loss continuously in raising silkworms, when their lands can be used for more profitable agricultural pursuits and their labor and meagre investment can bring to them better returns?

This accounts for the fact that farmers have been converting their mulberry fields for other agricultural purposes. We can not arrest this tendency unless we can give assurance to the farmers that their products can be marketed with reasonable profits. We are told that the farmers will be satisfied if they can get $35.00 for one picul of native cocoons and $45.00 for one picul of disease-free cocoons. Unless these prices can be guaranteed to the farmers, they will not readily raise silkworms the coming season.

But based on the present market price, when silk of medium quality is quoted at $600.00 per picul, silkmen can not afford to pay more than $25.00 for one picul of native cocoons and $35.00 for one picul of disease-free cocoons. Between these two prices, there will be a difference of ten dollars. Therefore we are now confronted with a problem of how to satisfy both the farmers and silkmen without impairing their respective interests.

With the cocoon season only three months from now, we must take action immediately before it is too late to bring any relief to this situation. The government is now contemplating to place the silk industry on a narional basis, and it should begin this task by introducing a system of government control over cocoon-production. In view of the great importance of China's silk industry upon national finance and rural economy, we believe that the government should without hesitation guarantee their returns from this business of raising silkworms.

CHINESE GOVERNMENT STATE LOTTERY

No. 5 TO BE DRAWN - 27th APRIL

Prize List

1	First Prize of	.. ..	$500,000
2	Second Prizes of	.. ..	100,000
4	Third „ „	.. ..	50,000
10	Fourth „ „	.. ..	10,000
50	Fifth „ „	.. ..	2,000

and over **50,000** *other prizes*

Every prize is GUARANTEED IN FULL by the Ministry of Finance, irrespective of the number of tickets sold.

TICKETS

OBTAINABLE AT BANKS, DEPARTMENT STORES, OR FROM

NATIONAL STATE LOTTERY ADMINISTRATION

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The government should buy off the cocoons from the farmers at, say, $35.00 per picul of native conoons and $45.00 per picul of disease-free cocoons, and resell them to the silkmen. If the silkmen, in accordance with the market price of silk, can not afford to pay so much, the government should then pay the difference as a subsidy to the silkmen. Last year the total production of Kiangsu and Chekiang was about 360,000 piculs of fresh cocoons. Thus a sum of $3,600,000 will be paid out by the government if a subsidy of $10.00 should be granted for each picul of fresh cocoons.

The benefits resulting from the granting of this subsidy will be two-fold. On the one hand, the farmers can get adequate returns from their sericultural business and will not convert their mulberry fields into other agricultural purposes. On the other hand, the silkmen, by securing cheap raw material, can continue to operate their filatures, thereby giving employment to hundreds of thousands of female workers. Both national finance and rural economy will be benefitted, if this form of government assistance can be carried out in practice.

Shanghai, Feb. 27, 1934.

Chinese Postal Remittances Show Decline from Previous Year

The report of the Chinese Postal Remittance and Savings Bank for the year ending June 1933 (21st fiscal year of Chung-hua Min-kuo) shows that the remittances issued declined from $188,000,000 in the previous year to $170,000,000, the corresponding collection of fees dropping from $3,693,000 to $3,058,000. The decreases in remittances and in fees are to a large extent accounted for by the loss of business in and on the Three Eastern Provinces, and, in addition disturbed conditions prevailed in Szechuen and Shantung Provinces; communists were active in Kiangsi; drought and bandits afflicted Shensi; and Northern Hopeh was subjected to the advance of invading forces towards Peiping and Tientsin.

A comparison of the Bank's balance sheet at the end of the 21st with that at the end of the previous fiscal year shows that during the year the cash on hand and in banks decreased by some $4,000,000, representing approximately the decrease in the amount due to the Post Office and in savings deposits outstanding, and giving a ratio of 49% for cash against the outstanding liabilities under remittances, savings, and the Post Office, as compared with 54% att he end of the 20th fiscal year.

Railway Improvement Prospects in Chekiang and Kiangsi

To facilitate the completion of the Yushan-Pingsiang Railway across Kiangsi as well as to improve the railway system in Chekiang and Kiangsi, a joint Chekiang-Kiangsi Railway Corporation will be established by the Provincial authorities concerned. A set of regulations governing the organization has been formulated by the Ministry of Railways. According to these regulations, the Corporation is to be capitalized at $60,000,000. It will undertake the completion of the Yushan-Pingsiang Railway on behalf of the Ministry of Railways and the Kiangsi Provincial Government; operate the Hangchow-Kiangshan Railway on behalf of the Chekiang Provincial Government; and construct or operate the various branch lines in the two Provinces on behalf of Kiangsi and Chekiang.

Japanese Cruiser Calls at Bangkok on Friendly Visit

The Japanese light cruiser *Kuma*, during the training cruise in the South Seas, touched the port of Bangkok (Siam) on February 16 and stayed for a week. Commander Horiuchi called on the Siamese Premier, the Minister of Defence and the Foreign Minister of the Siamese Government.

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Chinese Residents in Siam Complain of Disabilities

Chinese nationals residing in Siam are feeling acutely the need for a Sino-Siamese commercial agreement, according to telegrams received in Nanking from Siam.

The numbet of Chinese residents in Siam, it is pointed out, totals over three millions—or one-sixth of the population of Siam, which is 20 millions. Most of the Chinese residents there are merchants who deal especially in rice. However owing to the absence of a Sino-Siamese commercial agreement, they are often oppressed by the Siamese authorities, who impose on them exorbitant levies and irregular taxes. The Chinese are also required to study the Siamese language, as well as serve in the Siamese army upon reaching their majority. Government quarters in Nanking point out that the conclusion of a Sino-Siamese commercial agreement, imperative as it is, cannot, however be brought about by the Chinese unilaterally. Appropriate measures for its realization are being devised by the Central authorities.

China's Frontier Territories in Danger

BY C. Y. W. MENG (孟 晏 泳)

AT the end of the last century we witnessed a "scramble of concessions" in China by the foreign powers. The dangerous situation was saved only by the timely policy of the Open Door and Equal Opportunity, and, largely by the inability of the powers themselves to come to an agreement regarding the division of the "spoils." But a few decades later, it was to be noted that most of these powers who attempted to divide up China previously regretted their actions; and, realizing the short-sightedness of their policy, they returned some of the concessions to China; At the Washington Conference, these powers actually pledged themselves to observe the territorial and administrative sovereignty and integrity of China. But such policy did not continue for a long time. What has been going on in recent years reveals to us that these powers have returned to their old policy of military conquest of China; and that another "scramble of concessions" is taking place, not for China's sea-ports or naval bases, but for China's frontier territories. This has convinced the Chinese that the 20th century is no better than the 19th century; and that world civilization has made no improvement at all through the progress of time; and that world peace is by no means assured through democracy.

Manchuria Lost to Japan

The occupation of Port Arthur and Dairen by Russia and of Kiaochow Bay by Germany, started a series of forcible occupations of China's seaports and naval bases, such as the British occupation of Weihaiwei, the French occupation of Kwangchow-wan, and later the forcible occupation of Manchuria by Japan. The recovery of this "lost territory" (Manchuria), which is bigger than Germany and France combined, is remote, as well as very problematical. So long as the Chinese leaders do not sink their personal and political differences at this most critical moment in Chinese history and present a united front against the foreign aggression, and so long as the Chinese militarists continue to be "brave" in civil wars, but really "pro-Japanese" in policy, there is, to speak frankly, no hope for any recovery.

Outer Mongolia Lost to Russia

This big piece of "lost territory" (consisting of the Three North-Eastern Provinces, Jehol and part of Charhar) together with Outer Mongolia, which is now virtually independent from China and is virtually under Russian domination, will mean that more than one-fourth of China's territory is lost. We remember sometime ago a plane belonging to the Eurasia Aviation Company being detained by the Outer Mongolians. The German Government, instead of filing a protest with the Chinese Government, lodged protests with the Russian Government. Nanking lodged no protest to the German Government.

The Chinese revolutionists used to say that Outer Mongolia declared its independence in their opposition against the Peking Government; and expressed their confidence that as soon as the National Movement succeeded in establishing itself in China, Outer Mongolia would "come back to China." But so far, no such attempt has ever been made to take back Outer Mongolia from Russia. No such problem was taken up with Russia when the restoration of Sino-Russian diplomatic relations took place.

Nine Coral Islands Lost to France

The Japanese occupation of Manchuria was quickly followed by the French occupation of the Nine Coral Islands in the South China Sea. Though the negotiations are still pending, the evacuation of the French is probably just as remote as the recovery of Manchuria. The occupation of these tiny islands constitutes another violation of the Washington Pact by another civilized nation whose signature is still on the Pact.

Besides these above-mentioned territories, which are already lost to the powers, there a remany others which are in imminent danger of being lost to the aggressive powers.

Inner Mongolia in Danger

We have heard very much about the autonomous movement in Inner Mongolia under the leadership of Teh Wang (Prince Teh). Kuo Wang (Prince Kuo), the general representative of the Mongolian people and the personal representative of Teh Wang, arrived in Nanking today. This prince still has long hair hanging on his back and still wears old-style boots, showing every sign that he is a Manchu official. When interviewed by the writer as to his purpose in coming to the Capital, he said that his mission is twofold in purpose. As representing the Mongolian people, (1) to petition the Central Government to grant at earliest possible date the autonomous government to the Mongolians, and (2) to petition the Central Government to derive "ways" to protect Mongolia from foreign aggression. He then went on to say that the Japanese have long been intending to attack and occupy Inner Mongolia. An Office of the Mongolian People in Charhar and Suiyuan was established by the Japanese in Dolonor. This office did very much propaganda work in inducing the Mongolian people to join with Manchukuo. Another "Special Affairs Bureau" (特務處) was being established in Soo-Yi-Teh-Chu-Men (蘇尼特左旗) by the Japanese. Prince Kuo characterized this as a "Japanese political organ for the invasion of Inner Mongolia." In the time when the Peilingmao Conference was taking place, many Japanese propagandists and agitators visited Inner Mongolia. A radio station was being established in Shih Men Soh Men (錫盟索盟) to have direct communication with Manchukuo. It was due to the efforts of Teh Wang and only after a series of negotiations with the Japanese that the latter agreed to abolish the radio station and the Special Affairs Bureau. But on the eve of abolition, the Japanese made it clear that "they would come back in March (1934)." By propagating the restoration movement, the Japanese, declared the Prince, intend to employ this as an instrument to induce and win over the favor of the Mongolians.

"But", he said, "the Mongolians are patriotic-minded, and they were not induced by the Japanese," and concluded that "the Mongolian people hope very anxiously that the Central Government will realize the seriousness of the situation existing in the frontier territories, and will leave no stone unturned to devise ways to protect them." He said that he came to Nanking because he wanted to get definite instructions from the Government as to the proper "ways" to cope with the dangerous situation. He reminded all Chinese to pay more attention to the Mongolian affairs.

Other Mongolians in Nanking, when interviewed by the writer, all expressed their "fear" of the Japanese encroachment and aggression, and said that Inner Mongolia consists of six Leagues under which there are 52 chi. Three out of six Leagues, known as the Eastern League, are already lost to Japan, while the other three Leagues, known as Western League, are in the eminent danger. "The motive for demanding autonomous government is to organize ourselves for self-defence purpose under the direction of the Central Government," said the other. At present these 52 chi are unorganized, and each chi governs itself, having no connection with each other. The purpose of having self-government is to organize the Mongolians, and to form some sort of union. This was unanimously told to the writer at different interviews with the Mongolian people in Nanking. The above is sufficient to show the seriousness of the situation in Mongolia.

Tibet in Danger

That the death of Dalai Lama brings a crisis to Tibet is generally realized by most observers. The British Government was prompt in sending Sir Charles Bell to Tibet "just a short time before the death of Dalai Lama," while Nanking "talked" about the despatch of so-and-so to Tibet. That the aged Sir Charles Bell was suddenly recalled to service and was sent to Tibet and that he must have carried an important mission, and would do somethng of tremedous importance in Anglo-Tibetan and Sino-Anglo-Tibetan relations, goes without saying.

Recently, Cheng Wen Yu (程文淵) and Li Chung Kwang (李春光), two representatives of the Tibetan people, reached Nanking. They are said to have brought along with them a "4,000-word report" to the Central Government, in which they describe the present political and economic conditions in Tibet; call the attention of the Government to the seriousness of Tibetan affairs; extend a welcome to the Panchen Lama to come back to Tibet; petition the Government to send those who are familiar with Tibetan affairs to proceed to Tibet to pacify the people.

When interviewed by the writer in their hotel, they said inter alia: "The British ambition in Tibet dateds back to the signing of the Chefoo Convention of 1872. Though since then the British have despatched big armies to Tibet to press the Tibetans to be pro-British, the Tibetans remain pro-Chinese. Since the abolition of the imperial system in Tibet last year, though Dalai Lama was in control of all power, the actual power was in the hands of his 'kung bi' (or courtiers of Dalai Lama). The kung bi took every action to oppress the Tibetan people. The live-stock, which is the means of livelihood of Tibetans, is taken away from them by order of the kung bi for other uses. The British are now in full control of finance, exchange, etc., in Tibet. The Tibetans are now bankrupt; and they are now in 'water and fire' (meaning sufferings). That we come to Nanking from thousands of miles away is because we love our country and we love our Tibet, and we want to save Tibet. We want our Government to quickly send back the Panchen Lama to take charge of Tibetan affairs. The Tibetan people hope that the Central Government will despatch scores of others who are familiar with Tibetan affairs to go to Tibet "to mediate the differences

and bad feeling between Outer and Inner Tibet, and to pacify the Tibetan people.' At present, all people in Tibet acknowledge that Panchen Lama is the 'head', and China is the 'mother country'. But the Tibetan people do not know whether their head and their mother country are determined to save them or not. Should the Central Government still adopt a policy of laissez faire regarding Tibetan affairs, it will be committing a great blunder."

He concluded by expressing his hope that the Government should quickly send high commissioners to proceed to Tibet to pacify the people and to enforce many political reforms.

The representative of Dalai Lama in Nanking when questioned by the writer whether Tibet would welcome the return of Panchen Lama, admitted also that the Panchen Lama is now regarded by all Tibetans as their head after the death of Dalai Lama, and further said that "Tibet welcomes his return, provided that his return is not accomplished by force."

A spokesman in the Panchen Lama's office in Nanking, when questioned by the writer whether the Panchen Lama has any idea of returning to Tibet said that the Living Buddha "hopes also very much to return," but added that he has to wait for instruction from the Government.

From what we have observed above, the return of Panchen Lama to Tibet would be welcomed by the Tibetan people. What the Nanking Government should do is to quickly send the Panchen Lama back to Tibet. When the Panchen Lama is proceeds to Tibet, he should be accompanlied by some diplomats of good experiences and high rank, as the return to Tibet is not so much a political problem, as a diplomatic one.

Sinkiang in Danger

According to *Tass* agency, a new government has been set up in Kashgar in South-Western Sinkiang. Such news is now officially confirmed. A Sinkiang resident, who has just reached Nanking from South Sinkiang, when interviewed about the independence movement, said that when the first armed uprising in Sinkiang broke out in April 12, last year, the British despatched about 200 armed force to help the rebels to drive out the local authorities and to instigate them to start the independence movement. In case they were defeated, the British promised them protection. As to the present independence movement, it was already on foot in Spetember last year when the British instigated a rich merchant Sabit Domulla, a protege of Emir of Khotan, to start such movement. His account of the movement is too long to be produced here. According to the further report, the new regime declared itself the "Eastern Turkestan Kingdom." A delegation is heading off for Afghanistan, India, to seek "recognition."

Besides these two powers—Great Britain and Soviet Russia—at which China now points an accusing finger in the present role of Sinkiang, another power is also not exempted. At one time, report had that some Japanese propagandists are being despatched to Sinkiang to organize what was then frequently called the "Greater Mohammedan Kingdom" in response to the establishment of Manchukuo, and in preparation for the future "cooperation" between the Manchukuo and Mohammedan kingdoms, and in paving the way for the Japanese territorial encroachment of China's Northwest in carrying out the so-called Japanese "Continental Policy."

What concerns us most is what action the Central Government will take to deal with the situation. A moment of hesitation will give recognition of the fait accompli, and will mean the severance from China of the large provice of Sinkiang, in the same way as Outer Mongolia was lost to China.

Yunnan and Szechuen in Danger

To these frontier territories which are in imminent danger, we must add a few others, such as Yunnan and Szechuen Province. The former is already under French political and economic domination through the French system of monopolies, while Szechuen is on the way of being exploited by the British. Sir Miles Lampson, the former British Minister to China, took an air trip to Szechuen just before his retirement from China, for what purpose, is still shrouded in mystery. But it is generally believed that his trip is more than a pleasure trip.

What Is the "Mother Country" Going to Do?

From what we have observed above, we realize that the Chinese frontier territories are either already lost, or are in imminent danger of being lost in the near future. The frontier people have now turned to the "mother country" for help and protection. It is up to the mother country not to disappoint them, and to give them due protection. That these frontier people, though backward in many respects, could stand against such temptation and threat from the outside under such adverse circumstances, and are sending their representatives, one after another, to the Capital to appeal for protection, is really something wonderful; and should be regarded as one of the most hopeful signs of awakening and orientation of the frontier people; and should be regarded as an indication of their loyalty to the Central Government; and should be regarded as a proof that these frontier people, though backward as they are, are by no means in any way behind the other Chinese people, so far as patriotism and sense of duty are concerned. Here is a good chance for the mother country to regain the full control of the lost or partically lost frontier territories.

Nanking, Feb. 24, 1934.

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Report of Ricsha Committee Reveals Appalling Conditions

THE report of the Shanghai Municipal Council's Ricsha committee, issued Feb. 13, reveals the fact that ricsha pullers in Shanghai, who are mostly destitute farmers from rural districts, have been exploited by the owners of the vehicles, or their agents, in a cruel manner. The pullers are barely able to subsist on the lowest standard of living. The high rents in Shanghai prevent ricsha pullers from renting houses. From 5 to 8 men will huddle together like pigs in a loft, 10 by 3 or 4 feet, in a shed used by the contractor as a shelter for ricshas. Though prey to innumerable bugs while asleep under a blanket, they are insensible of them on account of the strenuous labor of ricsha pulling. The inconvenience of men and women huddling together in one and the same apartment compels ricsha pullers with families to cook and sleep in low huts constructed of bamboo, wood, broken mats and scraps of iron, on vacant lots or on the banks of filthy creeks. Their food is usually coarse and unsavory and contains little nutriment. There are two shifts for pulling ricshas, one during the day and the other during the night. Because the work is extremely hard a puller can only work on two successive day or night shifts; one day's rest is necessary after two days work, otherwise, the health of even a very strong man is ruined. A ricsha puller can only earn about 60 or 70 cents for each shift. When business is bad, what is earned in a day is insufficient to cover the hire charge, which is a very distressing fact. Unable to marry, most ricsha pullers are condemned to a life long term of involuntary continence. Their only amusement is gambling. As a result of constantly running about the roads in all kinds of weather, many ricsha pullers are disabled, or die, at the age of 40 or 50. Assuming that there are three pullers to one ricsha, as there are 10,000 ricshas in the Settlement, the number of ricsha pullers would be 30,000, and as there are 13,000 ricshas in Chinese territory, the number of ricsha pullers there must be around 40,000. The total number must therefore be something like 70,000 or 80,000. Supposing there is a relative in addition to the puller who depends on a ricsha for his living, the total number of people dependent on ricshas would be over 100,000.

A Situation of Grave Potentialities

As a result of the appalling economic conditions under which public ricsha pullers are at present forced to live, their earnings being so small that they can scarcely exist, a situation of grave potentialities has gradually developed. These men and boys come from the country districts in such large numbers, and competition amongst them has become so keen, that exploitation of their labor is made an easy matter. The Ricsha Committee, recommends that the license conditions contain the maximum ricsha hire charge to the puller.

The Committee's investigations showed that licensed owners of ricshas are securing huge profits on their outlay. A Chinese, who described himself as a representative of the ricsha contractors, informed the Committee that there was a practice in Shanghai of giving each ricsha puller $5 or $10 "as earnest money." Some ricsha pullers, continued the statement, were indebted to the contractor for as much as $20 to $30 and specimen copies of forms of undertaking between owner and contractor, and letter of guarantee were enclosed with this statement. Other evidence of a similar nature was placed before the Committee indicating that in certain cases pullers were practically bound hand and foot to certain owners. The Shanghai Ricsha Hongs' Association, in its reply to the Committee's questionnaire, stated that "if no ricsha pullers come to rent ricshas, the only course is to offer them a loan of from $5 to $20 free of interest, on the sole condition that they shall rent ricshas from their creditor and shall not pull ricshas of any other hong.

The following is a summary of the Committee's recommendations:

1.—That an organization willing to comply with the regulations set out above be invited by the Council to apply for 2,000 ricsha licenses, valid as from January 1, 1935, to be transferred from the present licensees other than those holding licenses, for fewer than five ricshas, proportionately to their holdings. Any transfer of a licensed ricsha in future must be approved by and registered with the Council.

2.—That a further 2,000 public ricsha licenses be transferred under the same conditions as from January 1, 1936. Further transfers after January 1, 1936, should be made as then gained.

3.—That the Council accept a co-operative ownership scheme put forward by a responsible group; and that an additional maximum of 500 licenses be set aside for use by such cooperative group, these licenses to be made available by the non-renewal of an equal number of present licenses as laid down for setting free 2,000 licenses for the municipally controlled company.

4.—That no definite recommendation be made in regard to the reduction of public ricsha licenses below 10,000 but that the Committee suggest that the Council review the matter again in two or three years' time in order to see how the new regulations have affected the situation, and act accordingly.

5.—That the register of "true" owners, as recently compiled for the Committee, be given effect as soon as possible.

6.—That immediate amelioration of the conditions under which ricsha pullers live should be achieved by providing increased opportunity for earning through regulated rentals and fares, pullers' licenses, provision of better vehicles, etc.

7.—That all ricsha pullers public and private, be licensed by the Council, a small annual fee to be charged, and, as in the case of chauffeurs, a photograph of the puller be attached to his license card; that the licensing scheme be prepared and put into effect as soon as possible, and that it be as simple and efficient as possible, with a minimum of "red-tape" requirements; that the puller's license badge be his own private property; and that the badge be worn visibly round the waist as in the case of the wheelbarrow man.

8.—That the maximum charge to the public ricsha puller be 80 cents (small money) per 24 hours or proportionately for any period of less than 24 hours: that the tariff of hire charges be laid down by the Council; and that there be included in the license the following condition: "The hire charge to the puller shall not exceed the maximum hire charge authorized by the Council at the time."

9.—That a table of public ricsha tariffs, both by distance and time, be posted prominently on each ricsha. The Committee is of opinion that the tariff of fares should be 20 cents (small money) per mile, with a minmum fare of 10 cents (small money), and 60 cents (small money) per hour. The tariff should be printed on an enamel plate suitably placed on the ricsha.

10.—That as soon as feasible the type of public ricsha be improved.

11.—That much stricter inspection of vehicles be enforced than has heretofore been the practice.

12.—That the present system of lighting being most inadequate, both the front and rear lights of ricshas be very radically improved, especially the rear light.

13.—That, where practicable, ricsha stands might be erected, e.g. where new properties are being developed, or outside places of public resort. In such cases, regulations should be laid down that users of ricshas be compelled to take ricshas in strict rotation.

14.—That prior to any change in the system of operation, license conditions for pullers, and the present license conditions for both public and private ricshas, together with the method and times of their issue by the Revenue Office, be the subject of consideration by the Municipal Departments concerned; and that a report thereon be submitted to the Council for the necessary action.

15.—That the Police continue their campaign against "tramp" private ricshas, (that is, private ricshas, intended only to be used by the owner, which fill in spare time taking public passengers).

16.—That the Council approach the French and Chinese Authorities with a request for their co-operation in the improvement of the public ricsha services of all three areas.

Chinese to Leave Mexican City Enmasse

A telegram from La Ensanada (in the northern part of Lower California, Mexico) Feb. 23 stated that Chinese proprietors, merchants and employees subject to nationalist persecutions, have agreed to leave said city en masse in three months' time. Some twenty of them have already fled from Tia Juana. The troubles began recently when the Chinese merchants of the town lowered prices, thereby affecting local trade. Most of the Chinese shops were forced to close. Two hundred Nationalists last week set fire to a farm which employed Chinese near Ensenada.

Two Years of National Reconstruction

By Wang Ching-wei

("*By Special Arrangement with The People's Tribune*")

GENERAL Chiang Kai-shek and myself on February 11 issued a joint circular telegram reiterating the importance of suppressing Communist-banditry and the promotion of productive reconstruction as essential conditions for the salvation of the nation and preservation of the race. Under the able direction of General Chiang at Nanchang and supported by the loyalty and bravery of the Bandit-suppression forces, the anti-Communist campaign has made considerable progress during the past year. In addition to the superior military tactics of the Government forces, the construction of a chain of block-houses and the building of highways have contributed much towards the success of the bandit-suppression operations. The net-work of highways constructed by the Government has neutralised the effect of the guerilla tactics pursued by the Communist bandits, and if we continue to deal with them in this manner, I believe success will soon attend the Government's efforts to suppress Communist activities.

The work of productive reconstruction, however, calls for the employment of not only men of talent but of material supplies. Owing to the impoverished state of the country, only a few things have been done in this direction, though many other projects of this nature are demanding the attention of the nation. This naturally causes some people to feel discouraged, and it is even said at times that productive reconstruction is no more than an empty phrase. It must be remembered, however, that the various Government organs are merely supplied with maintenance expenses, and are not given sufficient funds for the active work of national reconstruction. During the Government's campaign against the Communist bandits, even the Government forces are not supplied with "reconstruction funds," and due to the large number of soldiers employed in these operations, maintenance expenses are often insufficient to meet their requirements.

Premature to Take Optimistic View

These are undeniable facts, and it is therefore premature to take too optimistic a view regarding the future of the Government's program for the productive reconstruction of the nation. At the same time, however, the promotion of natural productivity being the only way to develop the strength of the people and consolidate the national vitality, we must do all within our power for the fulfilment of this important mission. Owing to lack of material resources, the work of productive reconstruction should proceed on a modest, if not large, scale; if we cannot undertake any new projects, we should at least complete the old ones; if we cannot make active efforts for the reconstruction of the country, we should at any rate remove all obstacles to such efforts. We should, in short, devote untiring efforts for the accomplishment of this task, since great deeds are often performed by the accumulation of small efforts. It has been well said that rivers are formed by the accumulation of drops of water, and that mountains are formed by the accumulation of grains of sand. We must therefore persist in our efforts, and never allow ourselves to give way to despondency.

The Government does not claim to have made any great achievements during the past two years, but we have consistently made it our duty to carry out the program of national reconstruction so far as possible. This can be proved by a review of the Government's efforts at the development of the national railway system and the general system of communications, from which it will be seen that productive reconstruction has been much more than a phrase, and has been actually carried into effect, and will be steadily pursued. It is, of course, impossible for me to review all our achievements in the field of productive reconstruction in this brief survey, and I shall cite but two examples.

First of all, let us take the development of the national railway system. Among the more important railways in course of construction during these two years may be mentioned the following: (1) the Canton-Hankow Railway, which has been left uncompleted for the past 23 years but which will be finished within the next three years; (2) the extension of the Lung-Hai Railway to Shensi and Kansu, which will be in operation as far as Sian on or about National

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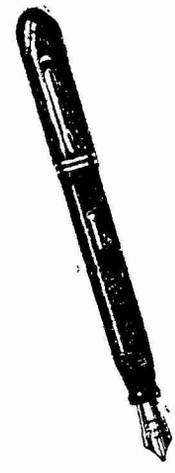

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Independence Day (October 10) this year; and (3) the Chekiang-Kiangsi-Hunan Railway, on the lower reaches of the Yangtsze River. While the Canton-Hankow and the Lung-Hai Railways are lines which had been left half-completed, the Chekiang-Kiangsi-Hunan Railway is an entirely new line. When completed, the Canton-Hankow Railway will become the central trunk line connecting North and South China; the Lung-Hai Railway will facilitate the development of the North-West; the Chekiang-Kiangsi-Huan Railway will bring about closer economic and cultural relations between the South-Eastern provinces. In addition, harbor-works have been built at Laoyao, on the Lung-Hai line; the North Station at Shanghai, on the Nanking-Shanghai line, has been reconstructed on improved lines; the Pukow railway-ferry service has been inaugurated; and the Hangchow-Kiangshan Railway in Chekiang is in operation. In addition to these achievements, innumerable improvements have been made by provincial and private interests for the development of the railway system, and though these are of less significance than the construction of the three main lines mentioned above, they have an important bearing on the development of the national railway system.

The construction of railways obviously necessitates the expenditure of a substantial amount of money. During the past two years, it has devised practicable measures for the amortization and readjustment of some of the domestic and foreign railway loan obligations. These are divided into three categories, namely, (1) railway financing, (2) obligations for railway supplies, and (3) short-term loans. In the first category are included the obligations of the Tientsin-Pukow, Nanking-Shanghai, Shanghai-Hangchow-Ningpo, Taokow-Chinghua, and Kaifeng-Loyang Railways. Measures for repayment have been devised, and some have already been carried out. The obligations of the Peiping-Liaoning Railway have been fulfilled according to the terms of the agreement. During these two years the obligations for materials supplied in the past to the railways have been readjusted and definite arrangements for settlement of obligations amounting to $100 millions have been made with the British and American creditors. The short-term loans, forming the third class, are mostly contracted from Chinese banks; measures for their amortization have been devised, and some have been already carried out.

It is true that not all the railway obligations of the Government have been so readjusted and amortized, but if we continue to follow the policy now being pursued, the day will come when we shall have amortized all our obligations. It should be understood that the Government has no intention whatsoever of evading repayment of its matured loans, and is anxious to find ways and means of meeting its obligations, but the first essential is a general revival of railway business. With increased revenues available, the interests of creditors will be more fully protected, and it is hoped our foreign creditors will co-operate with the Government to this end. The best proof of the determination of the Government to pay off its foreign railway obligations is afforded by the fact that during the last two years it has discharged a number of such obligations thereby showing not only its desire but its ability to carry out its pledged word. If our foreign creditors realise these facts, and recognise the difficulties with which the Government is faced, their sympathetic cooperation will promote the interests of both parties.

Let us now turn to the efforts of the Government during the past two years for the development of various general communication facilities. The most important achievements have been effected in the following directions, (1) postal service, (2) telegraph service, and (3) shipping. Recently civil aviation has also become an important branch of the Government's work in promoting the development of general communication facilities.

With reference to improvements in the postal service, I may point out that a mail service has been in operation in China for the past sixty years, and has been generally efficient, a large postal revenue being collected every year. The Government has attempted to further improve and extend the service, but owing to serious floods and Communist disturbances, as well as the North-Eastern crisis, development of the postal service has had a severe setback. A loss of $10,000,000 was sustained, and the internal organization of the service was seriously dislocated. The Government during the past year has made vigorous efforts to effect a readjustment of the service, with special reference to improvement of the postal remittances and savings service. In the existing circumstances, the Government has been compelled to adopt a strict policy of retrenchment in the postal service, while simultaneously making plans to increase the postal mileage and postal agencies. According to reports submitted by the Directorate-General of Posts at the end of June, 1933, there were 12,000 post-offices and 32,000 postal agencies throughout the country, with a postal mileage of 490,000 kilometres. Plans are being devised for the establishment of more post-offices and an increase of postal mileage by at least 5% as well as an extension of postal service to the border provinces during the current year.

In developing the postal remittances and savings service, the aim of the Government has been to safeguard the interests of depositors. For this purpose, plans have been made to place the Postal Remittances and Savings Bank under the jurisdiction of the Postal Administration, at the same time preserving its accounting integrity. A supervisory system will be created to make public the accounts of the Bank, and severe restrictions will be imposed on investments by the Bank. All these measures will be formally adopted by the Legislative Yuan, but some are already in force, and public confidence in the postal remittance and savings system has been greatly enhanced.

Improvements in Telegraph Service

The achievements of the Telegraph Administration during the past year have been in two directions, namely, international and inter-provincial srevice. The former srevice was formerly operated entirely by cable, but since the inauguration of the great wireless station at Chenju, we have been maintaining communication with the United States, France, Germany, Switzerland, Manila, Java, Saigon, and Hongkong. The agreements with Great Northern, Eastern Extension, and the Commercial Pacific Telegraph Companies, have been revised, thereby effecting the recovery of our cable rights. New wireless circuits to America and Soviet Russia have been inaugurated, and a special radio station for direct service between China and Great Britain has been established to facilitate commercial transactions between the two countries. The station was established in a very short time, and its service has been very satisfactory. Another large wireless station, similar in size to that at Chenju, is being constructed at Loyang (Honan), and will be completed in the near future.

In regard to telegraphic communication within the country, the Government has devoted immense effort to repairing lines damaged during the various civil wars. A wireless station was established last year at Sian and another at Kalgan (Charhar). The Sian station is intended for the development of the North-Western provinces, while the Kalgan station serves to promote closer relations between the Mongolian population and China Proper. It was originally planned to establish eight wireless stations each in Sinkiang province and in western Mongolia, but owing to the unsettled situation in those regions the plans of the Government have been impeded. Nevertheless, stations are being established in other border areas, including Charhar, Suiyuan, Kansu, Chinghai (Kokonor), Ninghsia, Szechuen and Hsikang, and will be completed within a year.

With regard to the telephone service, attention has been paid during the past year to the development of the long-distance and city connections. Plans have been devised and carried out for centralized control over the long-distance system, and measures are being devised for converting city telephone services into a State enterprise. A set of regulations has been promulgated governing the operation of long-distance services by various Provincial authorities, which does not, however, conflict with the fundamental plan for unified control over the telephone system by the Central authorities.

During the past year plans were completed for the installation of long-distance telephone services connecting Nanking with Hongkong, Tientsin, and Hankow. Construction work on the Nanking-Shanghai line, along the Nanking-Shanghai Highway, is nearing completion, while the Nan-Fu (Nanchang-Fuchow) and the Peiping-Charhar lines are already in operation. Plans have been also devised for the operation of telephone services in the provinces of Kiangsu, Chekiang, Anhwei, Honan, Shantung, and Hopei by utilizing the telegraph wires and posts already installed in those provinces. Over 300 districts in the above-mentioned provinces are now connected by telephone. It is also planned to establish a telephone network in the province of Kiangsu, the first stage of the program being already under way. Measures were also adopted last year to improve the telephone service in a number of cities, including Shanghai, Wuchang, Hankow, Tientsin, Tsingtao, Soochow, Chengchow, and Chinkiang. The service in Shanghai is by far the most modern and efficient system in the country. Wireless telephony will be shortly operating in Nanking, Hankow, and Foochow, while an international wireless-telephonic service will be inaugurated in the near future.

The situation in the shipping business is a source of national humiliation, both inland and coastal shipping service being still monopolized by foreign interests. The Chinese merely operate two shipyards—the Kiangnan Dock and the Mamoi Dock—and the China Merchants Steam Navigation Company. Though the C.M.S.N. Co. has a history of over 60 years, its business has steadily declined owing to mismanagement. There are very few shipping companies operated by private interests. Construction work requires a substantial sum of money, since every ship represents a value of several million dollars. The Government deemed it expedient to take over the China Merchants' Company and convert it into a State-operated concern. The shares of the Company were bought up by the Government, and a receivership committee organized to arrange for the conversion. Since being taken over by the State, the Company has made considerable progress and improvement, as evidenced by the fact that in the course of the first six months of last year (1933), its total receipts amounted in round figures to $3,600,000—representing an increase of 30% over the corresponding period of the preceding year (1932). Simultaneously, efforts were made to repair old and dilapidated ships, warehouses and wharves, as well as to purchase new vessels, including four ocean liners for the Shanghai-Hongkong-Kwangtung route, and three river steamers for the Shanghai-Hankow-Ichang route. These new ships will be in service by the autumn of this year.

Let us now review the achievements of the Government in the field of civil aviation. Two air mail and passenger services are

being operated, under the Ministry of Communications, by the China National and Eurasia Aviation Corporations. Whereas, before 1933, the air services of the China National Aviation Corporation only consisted of the Shanghai-Hankow and Shanghai-Peiping routes, the efforts of the Government to develop the service have resulted in an extension to Chengtu, thereby inaugurating a new air route to Szechuen province. Moreover, the former Shanghai-Peiping service, which was later suspended, has been transformed into a coastal air service. An entirely new route—the Shangha Canton Airway—has also been inaugurated, and efforts are being made to open a new route from Chengtu to Kueiyang (Kueichow) and Yunnan, a test flight on this route having been already made.

The service operated by the Eurasia Aviation Corporation connects Shanghai with Tacheng (Sinkiang), whence it will connect with Berlin via Soviet Russia. It is to be regretted, however, that the Shanghai-Tihua service, which had been in operation for a few months, has been suspended owing to the unsettled situation in Sinkiang province, the service now only reaching Lanchow, pro-- vincial capital of Kansu. Plans are being made for the early re-sumption of the service.

Besides the above-mentioned air routes, the Corporation has also inaugurated several branch airways, including the Lanchow-Sining (Chinghai), the Tihua-Ili, and Tihua-Tashkent routes. The Sian-Peiping route is already in operation, while measures are being adopted for the inauguration of a Canton-Hankow-Sian service, tests flights on the Canton-Hankow section having proved successful. Commercal service on this section will be inaugurated a soon as the airdrome in Canton is completed.

Gen. Sun Tien-Ying Expresses Willingness to Leave Army and Retire

Gen. Sun Tien-ying, deposed Commander of the 41st Army and Reclamation Commissioner for Chinghai, who has been battling his way into Ninghsia for more than a month but has failed thus far to gain any substantial success, is reported to have expressed willingness to leave the Army and retire as a result of the joint expedition against him of the Shansi and Suiyan Armies and the mediation of his former colleague, Gen. Pang Ping-hsun. Gen. Ho Ying-ching, Chairman of Peiping Branch Military Affairs Commission, declared on Feb. 26 that as a peaceful settlement of the Northwest situation, Gen. Sun must fulfil three conditions, namely, Cessation of hostilities and withdrawal of Sun's Army from Ninghsia; Sun's retirement from the Army; and reorganization and reduction of the Army. Unless Gen. Sun complies fully with these conditions, Gen. Ho further declared, he would not consider any proposals at mediation but enforce punitive measures against him. Gen. Sun, replying Gen. Ho's message through Gen. Pan Ping-hsun, announced that he was willing to give up his command of the Army and retire to Shansi, but opposed the reorganization and reduction of the Army. In the meantime, Gen. Sun is reported to continue his attacks on Ninghsia City. Thus the sincerity of his professions is seriously doubted by the Peiping Authorities. Prospects for an immediate and non-violent settlement of the situation are still dim. Further hostilities may be expected before any solution can be reached.

According to a telegram from General Wang Ching-kuo, field commander of the Shansi-Suiyuan punitive expedition, on Feb. 25, the vanguards of the expedition clashed on said date with the rear of the forces of General Sun Tin-ying to the west of Linho. After a short engagement the rebels were disarmed and 1,700 officers and men were taken prisoners. General Sun is rushing reinforcements to intercept further advance of the Shansi troops, and major hostilities are expected shortly in the vicinity of the Tengkow area. The authorities at Peiping believe that fighting at Tengkow will relieve General Sun's pressure on Ninghsia. In the meantime, General Fu Tso-yi, the Suiyuan chairman, is continuing his discussions with General Ho Ying-ching concerning the expenses of the expedition. It is learned that the Peiping authorities have promised General Fu Tso-yi, Chairman of Suiyuan, a sum of $120,000 for a punitive campaign against General Sun. General Fu has asked for $350,000 as initial expenses for his campaign.

Facing almost certain defeat, the rebels are contemplating a junction with the communists under the notorious leader Hsu Hsiang-chien on the Kansu border and the irregulars under Liu Kwei-tang with a view to strengthening their resistance against the Government troops. It is reported that both the communists and Liu's irregulars are rushing toward the Kansu border to offer assistance to the rebels.

The Canton City Kuomintang sent a telegram to the Central Government on Feb. 21, urging the government go take drastic measures to prevent further hostilities between Generals Sun Tin-ying and Ma Hung-kuei in Ninghsia. Recourse to drastic military measure to suppress the rebels under General Sun is also urged by more than 160 merchant guilds in joint petitions sent to the Central Kuomintang, Wang Ching-wei and General Chiang Kai-shek on Feb. 22.

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Nanking Informed of British Occupation of Yunnan Territory

According to a dispatch from Nanking on February 22, the National Government has received an official report from General Lung Yun, Chairman of Yunnan, stating that about 2,000 British troops have occupied the district of Panglung on the Yunnan-Burma border where they are constructing roads connecting that district with Burma. General Lung states that the British are preparing to occupy the gold mines at Panglung. Upon receipt of the telegram, the Ministry of Foreign Affairs has instructed Wang Chan-chi, Special Foreign Affairs Commissioner in Yunnan, to take up the matter with the British at Panglung and at the same time a telegram has been sent to London instructing Quo Tai-chi, Chinese Minister in London, to lodge a protest with the British Government.

Urging the immediate settlement of the question of demarcation of boundaries between Yunnan and Burma as a condition precedent to prevent British penetration of Yunnan, the *Shun Pao* on Feb. 22 commented as follows:

"Yunnan is the gateway to China from India. The British have been attempting to penetrate through Yunnan in order to enable them to extend their influence to Szechuen and the Yangtze River valley from the west. The occupation of Kiangsinpo and Pienma several years ago and the recent occupation of Panglung indicate that the British have never abandoned their fixed policy and they are trying their utmost to realize their plans.

"Yunnan occupies a strategic position in China. If a strong force is placed in Yunnan one could easily command the entire Yangtze River valley. So the Yunnan issue can be regarded as a life and death question of China and therefore it should not be overlooked because of its remoteness. If the British influence could be established in Yunnan China's south-west would be endangered.

"However, the British have good excuses to give in their military activities in Yunnan because the boundary of Yunnan and Burma has never been clearly demarcated. In order to prevent the British from penetrating further into Yunnan the Government must take immediate steps to see the boundary line between Yunnan and Burma clearly demarcated. There is no other may to prevent British action except through demaraction.

"At the same time the Government must populate the border districts with ex-service men or regular soldiers to reclaim waste lands there and to defend those regions. Another important thing is that natives living on the border districts must be taught to know about China and be brought into closer contact with the Government and the interior of China.

"The third important factor is the development of communication systems in the South-west. The British have a well organized railway system in Burma while Yunnan has none. This lack of communication facilities is a very dangerous thing for China. In short, the situation in Yunnan is no less precarious than the situation in North China. If the Government does not soon act, Yunnan will be gone before long."

Kashgar Rebel Regime Overthrown by Gen. Ma Chun-ying's Tungans

Reuter's dispatches from New Delhi, India, on Feb. 22 and *Tass* reports from Moscow on Feb. 23 confirmed the overthrow of the rebel Moslem Republic at Kashgar in Southern Sinkiang by a mixed force of Tungan tribesmen under command of Gen. Ma Chung-ying and the precipitate flight of Khwaja Niazhaji and Sabit Abdul Baqi, president and premier respectively of the bogus regime, to India.

According to the *Reuter* message, a force of Tungans of 1,000 strong suddenly descended upon Kashgar on Feb. 6 and caught the officials of the rebel government by surprise who all fled without fighting. The development is regarded as an important success for the Nanking Government as the Tungan tribesmen profess to to be fighting for the Chinese Republic, whereas the Moslem rebel regime declared its complete independence of China.

The *Tass* telegram gave further details regarding the collapse of the Kashgar regime. According to regfuees who have arrived at Soviet frontier, the telegram stated, battles have been in progress at Kashgar since beginning of February. The Tungan detachment of Ma Tsi-ho, which has been in the Kashgar fortress of Yangishar since last year, received reinforcements from Gen. Ma Chung-ying from Turfan and attacked and captured Kashgar, pillaging the city and killing a great number of Uzbekian and Indian merchants.

Most of the hapless populace fled from the town, taking refuge in the mountains. Local Uzbekian and Kirghiz leaders, however, formed detachments from the local population and started an offensive against Kashgar. The Tungans repulsed this attack after severe street fighting. After the Tungan raid on Kashgar, the "independent" government of Sabit Damulla, and his troops left for the South, concentrating at Yarkand.

The seizure of Kashgar by Ma Chung-ying shows the attempt of the latter to spread his influence in southern Sinkiang following the failures of his Tungan army in northern Sinkiang.

General Huang Shao-hsiung, Minister of Interior, in a press interview following his arrival from Nanking on Feb. 24 denied that he had been appointed by the National Government to proceed to Sinkiang in the capacity as a Pacification Commissioner. The Minister also discredited the reports that General Li Tu, former commander of Kirin troops, will be commissioned to go to the North-western province to reorganize his remnant troops who have been staying in Sinkiang since their retreat from Manchuria last year.

According to a telegram from Tihua on Feb. 15, the Sinkiang Provincial Government has issued a circular telegram in which five points are outlined, namely: 1. That territorial intergity should be observed; 2. That assistance shall be given to the native tribes which are opposed to the Kashgar Government; 3. That General Ma Chung-ying's opposition troops shall be exterminated; 4. That the Government shall be urged to appropriate $5,000,000 for rehabilitation affairs in Sinkiang; and 5. That an expedition shall be sent against the Kashgar Government.

Commenting on the above telegram and denouncing Gen. Sheng Shih-tsai, Chairman of Sinkiang Provincial Government, for opposing the National Government to send troops into Sinkiang, the *Sin Wan Pao* in an editorial on Feb. 24 said:

"The meaning of the circular is that General Shen expects the Central Government to give him financial and other assistance, but he is opposed to Government sending troops to Sinkiang.

"At the present moment, the situation in Sinkiang is so complicated that it is beyond the ability of the local authorities to handle it in a satisfactory manner. When General Sheng is unable to govern the province properly and yet refuses to have Government troops in that province, it is a most absurd situation. Sinkiang is Chinese territory and General Sheng is only a commander appointed to garrison that area by the Government so he has no reason whatsoever to reject the entry of Government forces into that province.

"General Ma Chung-ying has been fighting against Gen. Sheng for the past year. Although General Sheng has been able to hold Tihua, he has failed to deal a serious blow at the Mohammedan general.

"General Sheng also requests the Government to inform the Powers not to recognize the Kashgar Government. This very request betrays the weakness of his position in Sinkiang. In such circumstances, the Government should never allow General Sheng Shih-tsai to have his own way and leave the vast rich province of Sinkiang at his disposal. As we have suggested on many occasions, the Government should send a strong military force to Sinkiang to clear up the situation by military force. This is the only way to retain Sinkiang under Chinese control. If the Government again accepts General Shen's suggestions before long Sinkiang will change its colour on the map."

Marshal Chang Hsueh-liang Sworn Into Office on March 1

Marshal Chang Hsueh-liang, who arrived at Hankow on Feb. 25 from Nanking on board the Government gunboat *Yung Shui*, was formally inducted into office as vice-Commander-in-Chief of the Government Bandit-Suppression Forces for Honan, Hupeh and Anhui on March 1 at Wuchang. Marshal Chang was given a rousing welcome by officials and representatives of public bodies in Hankow upon his arrival. On Feb. 26, he ferried across the Yangtsze to Wuchang to pay his official calls to Gen. Chang Chun, Chairman of Hupeh, Gen. Ho Chen-chiung. Pacification Commissioner for Hupeh and other high officials in that province. Next, he proceeded to the Headquarters of the Commander-in-Chief of the Bandit-Suppression Forces in Central China and perfected preliminary arrangements for his official assumption of office on March 1. Marshal Chang is reported to be shortly proceeding to Kiangsi to interview Gen. Chiang Kai-shek and ask for instructions in connection with his office.

A Shanghai "Old Timer" Reminisces

The *Review* is in receipt of a letter from L. B. Ring, at present living at Winnekta, Illinois, who was in charge of the U. S. Consular prison at Shanghai in 1875-6-7 under the then Consul General Geo. F. Seward, the latter being a nephew of Abraham Lincoln's Secretary of State, William F. Seward. Mr. Ring mentions that Seward Road in Shanghai was named after the then Consul General, and incidentally recalls the fact that he arrested many an over-leave sailor in said street. Mr. Ring also mentions that part of his duties was to patrol the track of the Woosung railway, the first in China, to prevent the Chinese populace from tearing it up. He also mentions attending funeral services for American sailors in Pootung—in a cemetery located there, which few residents of the present generation of Shanghai know exists.

Who's Who in China

Ku Jen-fa, Government Official; native of Shansi; graduate of the Japanese Military Officiers' College, Tokyo; has successively served as army instructor, battalion commander of infantry and artillery, regimental commander of artillery, brigadier-commander of artillery and chief-commander of artillery (of Shansi Army); chief-of-staff to the Commander-in-Chief of the Third Group Army (Gen. Yen Hsi-shan); associate director of troop disbandment for the Third Troop Disbandment District: chief-of-staff to the Headquarters of the Vice - Commander-in-Chief of the Army, Navy and Air Force (General Yen Hsi-shan) and concurrently director of Military Affairs Department of the Headquarters; councillor to the Headquarters of the Commander-in-Chief of the Army, Navy and Air Force; military councillor to the National Government; inspector of administrative affairs for the 3rd District of Hupeh Province; now, Commissioner for Civil Affairs of Kiangsu Provincial Government; address: Department of Civil Affairs, Kiangsu Provincial Government, Chinkiang.

辜仁發
Ku Jen-fa

辜仁發，山西人，日本士官學校畢業，歷充軍事教官隊長，步兵暨砲兵營長，砲兵團長，砲兵旅長，砲兵司令，第三集團軍總司令部參謀長，第三編遣區編遣副主任，陸海空軍副司令部參謀長，兼軍事處處長，陸海空軍總司令長參議，國民政府參軍，湖北第三區行政督察專員，現任江蘇省政府民政廳廳長

Foreigner, Arrested as Gambler, Claims Brazilian Nationality

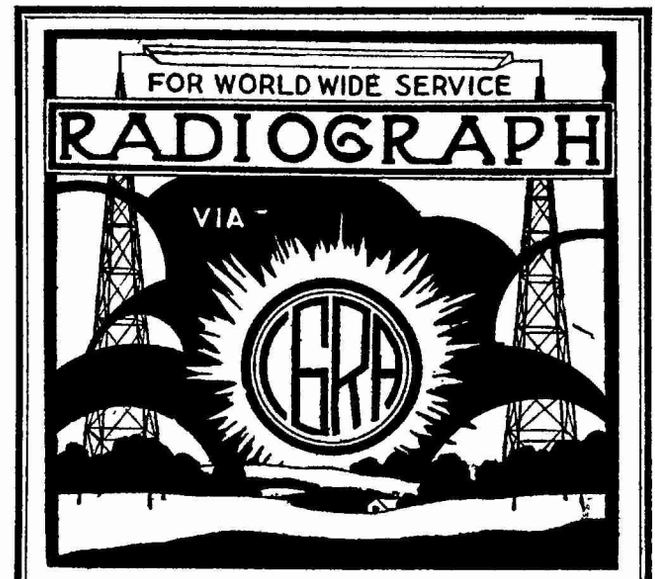
The Shanghai Police Feb. 25 raided the premises at House 1, Lane 1475, Avenue Road, International Settlement of Shanghai, where it is alleged that a gambling establishment was being conducted by one Y. Shutte, who when arraigned in the First Special District Court claimed to be a Brazilian subject, but who, according to the police, was registered as a Russian by the Bureau of Public Safety of the City Government of Greater Shanghai.

Scores of Chinese and Foreigners Seized in Gambling Raid in Canton

A raid was carried out by Chinese armed police on a most elaborate and luxurious gambling den in Canton City Feb. 25. The place is alleged to be operated by foreign interests under the name of the Argentine-Chinese Trading Company, and is reported to involve a large number of foreign residents. The foreigners were later released, after having communicated with their consuls.

Japanese Troops Hold Spring Maneuvers in Tientsin Area

A Peiping message to the *China Times* stated that the Japanese military authorities have determined to hold the spring maneuvers of the Japanese troops at Tientsin at Tangkwantun and Liangwangchuang along the Tsin-Pu Railway in spite of the representations made by General Yu Hsueh-chung, Chairman of Hopei. The maneuvers were scheduled to take place on March 1, coinciding with the enthronement of Pu Yi as Emperor of Manchukuo.



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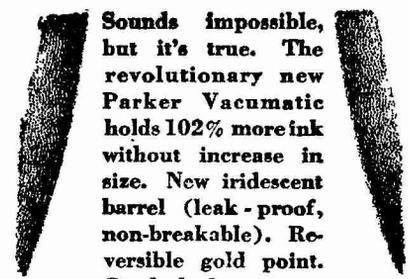

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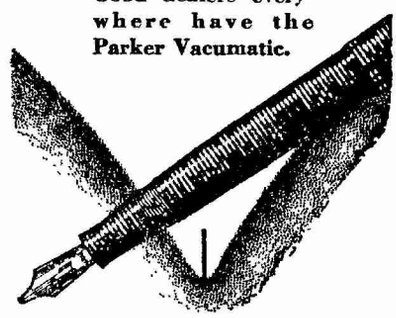

Parker
VACUMATIC

68-033

Men and Events

Bishop Herbert Welch of the Methodist Episcopal Church made an address on "The University Men and Society" at the monthly tiffin of the Shanghai American University Club, at the Astor House Hotel Grill Room, Feb. 27.

Wang Hung-nien, recently appointed First Secretary of Chinese Legation in Tokyo, took up his new post Feb. 26, succeeding Kuo I-min.

Masataka Matsukuma, Secretary of Tokyo Foreign Office, has been appointed First Secretary of Embassy and ordered to be attached to the Japanese Embassy in Manchukuo.

Mrs. T. C. White (Princess Der Ling), author of several books on Chinese life, recently was re-elected president of the Women's International Aeronautical Association of New York.

Dr. Patrick P. T. Wu, graduate in medicine of the University of Virginia and the Mayo Clinic, Rochester, Minn., has joined the Central Government hospital in Nanking.

Mr. and Mrs. J. J. Brenneman have departed for the United States on home leave. Mr. Brenneman is connected with the Shanghai Bureau of Inspection of Export Commodities.

T. P. Givens, Assistant Commissioner, Police Department of the International Settlement, is departing shortly on home leave, which he plans to spend at Aherlow, Tipperary, Ireland.

F. E. Vincent, manager of the American Foreign Insurance Association, has been elected president of the Shanghai Fire Insurance Association for the current year.

Paul M. Linebarger arrived in Shanghai Feb. 26 and later proceeded to Nanking. It is stated that he will make a report to the National Government on his eighteen months of activity abroad as a legal adviser to the National Government.

Another consignment of American wheat consisting of 8,000 tons, arrived in Shanghai from Portland Feb. 23. It was parcelled out to various Chinese flour mills immediately upon arrival.

W. L. Dao, formerly in charge of the telegraph section of the Foreign Ministry at Nanking, has gone to the United States where he will serve as first secretary at the Legation in Washington, D. C. Dr. C. L. Hsieh, former first secretary, has returned to China.

Dr. Y. S. Leong, formerly a student at Brookings Institute, Washington, D. C., now has a position at the N. R. A. headquarters in the U. S. National Capital. Dr. Leong was married last October to Miss Elizabeth Lam of Honolulu.

The famous jade pagoda which was exhibited at the Century of Progress Exposition at Chicago last summer was taken to New York several weeks ago and is now on display at Rockefeller Center in that city.

Dr. Wu Yi-fang, president of Ginling College at Nanking, delivered an address before the Forum of Community Church on Sunday afternoon, Feb. 25. Dr. Wu recently returned from a trip to the United States.

A silk-embroidered photograph of President Roosevelt which was shown at the Chinese section of the Century of Progress Exposition at Chicago last summer, has been given to the President. It was presented by Z. L. Chang who directed the Chinese exhibit. The picture was made in Hunan province.

Madame Chiang Kai-shek gave a reception to the members of the Nanchang Women's War Relief Committee in said city Feb 21. Besides thanking them for their efforts in providing the soldiers with "comforts," Madame Chiang said that the spirit displayed by the women of Nanchang was indeed significant of the national revival.

The congregation at American Community Church, on Sunday Feb. 18, voted unanimously to purchase a pipe-organ, the cost to be approximately $8,000 in U. S. Currency. Dr. Arthur Young, chairman of the organ committee reported at the meeting that more than half of the funds needed for the purchase had been raised. It was hoped to have the organ installed by June. The Church is also installing chimes.

According to a report in the November *Chinese Christian Student* (New York) the Rev. Huie Kin, 79-year-old Chinese pastor in New York, is now on a visit to China, his first visit to his home land since he went to the United States 65-years ago. The report stated that Rev. Kin has six daughters and three sons, all married and has a total of 28 grandsons and granddaughters. The three sons married American girls and reside in the United States while the daughters are married to Chinese and live in China.

G. G. Bradford, representative of the Frigidaire Corporation, returned to Shanghai last week from a trip around the world which included Russia, Europe and the United States. Mr. Bradford was accompanied on the trip by Mrs. Bradford and they are now residing temporarily at the China United Apartments. In addition to his connection with Frigidaire Corporation, Mr. Bradford in future will also be associated with the American Engineering Corporation, 989 Bubbling Well Road.

NOTE TO THE READER:—Owing to an oversight, part of last week's issue (Feb. 24) of *The Review* was sent out with the wrong date line on the cover. The date lines in the body of the paper were correct. It is suggested that readers who are keeping file copies should make the necessary correction.

Dr. Wellington Koo, Chinese Minister in Paris, who was appointed by the Chinese Government as Special Envoy to attend the funeral of the late King of Belgium, returned to Patis from Brussels Feb. 24.

Lt.-Colonel Hiroshi Nemoto, former Assistant Military Attache to the Japanese Legation in China, who is now attached to the Army General Staff, will shortly be named the Chief of the Press Section of the Japanese War Office in succession to to Colonel Teiichi Suzuki.

The Federation of Chinese National Chambers of Commerce recently addressed a telegram to the German Minister in Peiping asking him to convey their views to the German Government in opposition to the reported intention of Germany to extend formal recognition to the Manchukuo Government.

Wm. Philip Simms, editorial director of the Scripps-Howard Newspapers and foreign editor of the *United Press*, who has been visiting in Shanghai, departed this week on a trip to Nanking for the purpose of calling on officials of the National Government. Upon his return to Shanghai, Mr. Simms will depart for Manchuria and after some time there will proceed to Europe, traveling by way of Vladivostok and the Trans-Siberian Railway.

Major-General Mijiro Umezu, of the General Staff, has been appointed commander-in-chief of the Japanese Garrison in North China, in succession to Lieutenant-General Kotaro Nakamura, who has been appointed the commander of the 8th Division. Lieut. Gen. Nakamura returned to Tientsin Feb. 26 after a short visit to Tsingtao.

King-Chau Wei, Chinese Consul General at Honolulu, in a radio broadcast January 31 described the progress in modern China along economic, social and other lines. In the course of his remarks he said that in the space of a few years China has imbibed western ideas to such an extent that she is today able to take her place with the rest of the modern world without embarrassment.

The *China Times* says that the Chinese coal industry is suffering heavily as a result of foreign competition on the Shanghai market. It is estimated that of the 3,000,000 tons of coal consumed in Shanghai last year, only three-tenths were Chinese coal, the rest being British, French and Japanese coal. Of this "foreign coal," 50 per cent was produced from mines in China operated by foreign concerns.

Sir Alexander Cadogan, the new British Minister to China, arrived in Shanghai on the *s.s. Chitral* Feb. 26. He was met at the wharf by a large number of foreign and Chinese officials, among the latter being Dr. Ti-tsun Li, director of the intelligence and publicity department ot the Ministry of Foreign Affairs, Yui Ming, director of the Shanghai office of the Ministry of Foreign Affairs, and Kan Chia-chi, who represented Mayor Wu Teh-chen of the Shanghai City Government.

Bogomolov Proceeds to Nanking to Discuss Sino-Soviet Treaty

M. Bogomolov, the Soviet Ambassador to China, proceeded from Shanghai to Nanking during the week where he resumed discussions looking towards the signing of a Sino-Soviet Commercial Treaty.

Dr. W. W. Yen, Chinese Ambassador to Russia, returned from Tientsin to take part in the negotiations. The Chinese Ambassador in the course of a speech in Peiping, advocated the investigation of Soviet industrial and economical developments by Chinese industrial leaders.

Direct Trading Is Urged in London by Chinese Banker

Lee Tu-yueh, of the Bank of China in London, addressing the Manchester Bankers' Institute Feb. 24, urged direct trading between manufacturers in Great Britain with Chinese importers in order to reduce the cost of goods. Mr. Lee declared that modern Chinese banks were ready to assist with information, and that Chinese firms of financial standing as well as the Chinese government were firmly resolved to facilitate commerce in order to ensure proper settlement in case of legal disputes.

Finance Ministry to Establish Agricultural Bank in Tientsin

The Nanking correspondent of the *Chekai Agency* states that the Ministry of Finance is completing plans to establish an agricultural and industrial bank in Tientsin. The rural districts in North China have been adversely affected by the Sino-Japanese conflict and are on the verge of bankruptcy. With a view to achieving economic rehabilitation in the "war-zone" through the proposed bank, the Ministry has ordered Wu Jen to proceed to North China for the purpose of investigating the conditions and consulting local financial authorities and bankers. It is said to have been decided that the new financial institution will be semi-governmental, subscription of capital being open to private organizations or individuals.

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The Lesson of the Fukien Revolt

To the Editor, *The China Weekly Review* :—

Any observer, either Chinese or foreign, who has followed the movements of Chinese politics during the last few months will have noted the downfall of the Nineteenth Route Army—commanded by General Tsai Ting-kai—once adored by his countrymen, both in China and in foreign lands, as a savior, with a prestige greater than that of General Chiang Kai-shek.

Both Generals Tsai Ting-kai and Chang Kai-shek are militarists. Both became prominent through their military careers; the one owing his prominence to unifying China and setting up the National Government under the auspicious leadership of the Kuomintang Party, and the other putting up a defence against the Japanese—and although it did not end in a great victory for China, his fight was nevertheless a great thing in Chinese eyes!

One may well ask: What tempted General Tsai to head the revolt? Let us trace the root of the evil. Perhaps it is not very hard to find. After all, the people themselves have "petted" and "spoiled" him. Let us bring our minds back to the Shanghai incident. The great majority of the public supported him directly instead of through the Central Government (which should have been the proper channel,) crediting all honors to him and forgetting all about the Government, and in fact during the Shanghai incident nobody except General Tsai was talked of. The Central Government seemed like a mere "block." Did the people ever regard General Tsai and his then famous Ninteenth Route Army as a part of the Government? I doubt very much. They talked of individualism and unconsciously "lopped" General Tsai off from the body—the Central Government. They made him conceive the idea that he was the only hero in their eyes. They made him think that he was the only man who could redeem China! With such poison infused into his simple head, naturally he grasped a wrong psychology about the Chinese thoughts, both in the interior and abroad. He imagined their faith in him was unbounded. I have read his biography. He was brought up a soldier, nothing but a soldier whose duty is to fight and conquer, and last, yet most important of all, is to cling to discipline. So when once pride took him, he fell off the rail of discipline and fell a victim to devilish ambition. A powerful militarist once loosed from the chain of order and discipline becomes a fiend and tyrant. This is clearly shown in the case of the Japanese militarists.

The Fukien incident is indeed a lesson both for the public and the militarists. Let us all be on the lookout in the future. Why praise the militarists too highly? Let the honors go to the Government and the Government knows what to do with them. The Chinese public must get this clear: the Central government is the representative of the people. There should be no more individualism. The cost of the lesson is too terrible. I hope the people and the militarists will pay no more for such lessons.

Kuching, Sarawak, February 12, 1934. KONG YU-LEONG.

Fukien Failure Raises Nanking Prestige

To the Editor, *The China Weekly Review* :—

China has become gradually weakened by the frequent civil wars which have destroyed and devastated villages and districts, besides slaughtering many poor people and exhausting the national finance. But let bygones be bygones; we had better leave them aside and have a talk on the newly suppressed rebellion in Fukien directed by the Nineteenth Route Army. Chinese both at home or abroad who have heard the name of the 19th Route Army formerly paid reverence to it and its leaders. But that was before the rebellion. Since then its has been termed the "rebellious army." We are chagrinned that they sacrificed their good reputation—which they won by their stubborn resistance against the Japanese invaders. Anyone would have thought that it would have been wise for the Army to maintain its glorious fame by doing something noble for the country under the administration of the Central Government. We never dreamt that the army would rebel against the Government and co-operate with the Reds at a time of national crisis. The four hundred million people of China have become deeply disgusted with the former internecine warfare and do not like to see the establishment of any new government. The leaders of the Nineteenth Route Army did not observe the public opinion, but blindly agreed with a certain number of political and military malcontents to build up a so-called People's Government against the Nanking Regime. Their organization was like a dump-cart which contains all kinds of waste. The movement was started much against the people's will both politically and militarily, with the result that it was quelled in a fortnight's time.

Before the rebellious army was defeated by the Government forces, fence-sitters as well as the foreigners staying in Shanghai were skeptical about the eventual results. They thought that the National troops would be no match for the veteran Nineteenth Route Army. Fortunately, the National forces rapidly suppressed the rebellion and revealed to the world a manifestation that the Government is stable enough to ward off the most veteran rebels, thereby adding not a little to the prestige of the Central Government. Y. H. PAN.

Wuchow, Kwangsi, Feb. 18, 1934.

An occasional dose of Pinkettes when needed will keep you fit and happy, preventing all the ills which arise from constipation and liverishness, such as headaches, bilious attacks, impure breath, and sallow pimply skin. They also quickly relieve piles. Pinkettes are obtainable at chemists everywhere.

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68-035

New Books of Interest in the Far East

Muscovy a la Marx

Brief History of Russia, two volumes, by M. N. Pokrovsky, translated by D. S. Mirsky; published by International Publishers, New York City.
The Great Offensive, by Maurice Hindus; published by Harrison Smith and Robert Haas, New York City.

While there have been many, many books about Bolshevik Russia presented to English-language readers in recent years, including the excellent volume by Mr. Hindus listed above, very little from either left or right wing writers have been published on old Russia. Mr. Pokrovsky's volumes are, therefore, particularly welcome, and are highly recommended to anyone interested in the U.S.S.R.,—for an understanding of the Soviet regime is not possible without some familarity with Russia's past.

Mr. Pokrovsky writes, of course, from the orthodox Marxian viewpoint, but there should be no need to emphasize that all competent modern historians have adopted the Marxian philosophy of history to a considerable extent. The two volumes under review were written prior to Lenin's death, and received his enthusiastic endorsement, but there was considerable revision before Mr. Pokrovsky himself died in 1932. The translator, Mr. Mirsky, is, incidentally, an ex-prince who after several years in exile became converted to communism and is now in Moscow.

Mr. Pokrovsky's first volume deals with Russia from the earliest times to the end of the last century. He treats old Russia as a feudal land, which differs somewhat from the view of other historians and also raises a point of importance in connection with China. Some authorities, Dr. Hu Shih for example, have maintained that feudalism has not existed for several centuries in China, their conception of feudalism apparently being a castle with armored knights surrounded by an area of land populated by serfs. But as Mr. Pokrovsky points out, feudalism is fundamentally a system of production by certain definite methods having natural economy for their basis, and there is also a political component: "the close connection of the political power with landowning, and a hierarchy of landowners." Further, feudalism does not exclude a certain amount of commodity production of a capitalistic kind. Certainly old Russia conforms to this view of feudalism, and so does an old-fashioned Chinese village.

The bulk of Mr. Pokrovsky's second volumes deals with 1905 period, which was the prelude to 1917. One cannot help but reflect in reading of this era of how simple, after all, was the task of the radicals in winning the support of the masses against the feudal and utterly incompetent Czarist regime. At the first the workers had the utmost faith in the Czar, but he had them shot down when they sought to present petitions for some very slight improvements in their condition. Perhaps, of course, if enough had been shot, their morale would have been shattered, but only a few hundred were ever killed. During the Stolypin regime after the 1905 revolution, 3,500 revolutionaries and their supporters were executed. Mr. Pokrovsky presents the figure as a very impressive one; evidently he never studied the history of the Red movement in China.

Contrasting the history of Russia during the last two decades of Czarism with the history of lands farther west, it is impossible not to be impressed with the almost limitless anti-revolutionary potentcy of democracy with its seemingly fair and square elections NRA codes, etc. Even literacy was mistrusted by the Czars minions;, when it was proposed to make ability to read and write a *sine qua non* of election to the Duma, the landowners successfully objected to any such standards.

"The illiterate peasants," said one landowner, "are permeated with a conservative spirit; their language is epic. The literate peasants are influenced by the theories preached in the press, and are inclined to wander away from the true road."

Mr. Hindus' current volume is an extremely readable and sympathetic survey of the Soviet Union at the time the first Five Year Plan was completed, which was last year. A Russian by birth and knowing Czarist Russia as well as Soviet Russia, Mr. Hindus is an especially competent observer, and he gives graphic, human pictures of all phases of Soviet life—factories, farms, religion, morality, the family, schools, art, the army, and jails.

Although very friendly to the Soviet regime, Mr. Hindus makes no effort to conceal unpleasant aspects of the Red experiment. "Judged in terms of everyday material satisfaction," he says quite frankly, "the first Five Year Plan, which is the first step in the Great Offensive for a new society, a new world, and a new human personality, has not only failed to improve, but has actually lowered the material standard of living."

Much, however, has been accomplished that gives rather glowing promise for the future. Three fifths of the peasant holdings have been collectivized, which, together with the state farms, now embrace four fifths of all the land under cultivation in Russia. Despite all shortcomings, the Bolsheviks have industrialised Russia to such an extent that almost three fourths of the nation's total output of goods is provided by industry. Thus within 15 years the land has been changed from a primarily agricultural country to a predominantly industrial country. And all industry, all wholesale trade, and all retail trade with the exception of the bazaars, "are under the iron rule of the Soviet State."

Assuredly the basis for communism has been laid. But "the government certainly has as yet been unable to organize trade on a basis even remotely approximating the efficiency of private enterprise in old Russia or in other lands," Mr. Hindus records. "In striking testimony to this fact are the ever-present queues" to buy everything from a postage stamp to a loaf of bread.

In recounting the development of a new personality in Russia, Mr. Hindus is breath-taking and enchanting. The new Russian "has lost all faith in God and all fear of God. He has lost all fear of sex. He has lost all fear of money. He has lost his old fears of the family. He has lost the old fear of insecurity." And save for the disfranchised, there is real comradeship in the land of the Soviets between workers and foremen, soldiers and officers, and even between jailers and prisoners.

But not until queues are abolished and the standard of living for all who are willing to work is raised to at least that of an employed tram operator in the United States, can the Bolsheviks boast of genuine success. If these criteria seem too materialistic, let it be remembered that Karl Marx was history's greatest materialist and it is assuredly not unfair to judge his theories in practice by his own standards.

One item of especial interest in China recorded by Mr. Hindus is the statement of Chiang Kai-shek's son, who was a student in Moscow, at the time of the Sino-Soviet break in 1929: "Chiang Kai-shek was my friend and father. He still is my father, but he is no longer my friend."

W. B.

Tanaka Memorial Proven Genuine by Words and Deeds

Machiavelli of Nippon: Japan's Plan of World Conquest. By Victor Rine, M. A. Published by the Wondering Eye, Inc., New York, 1932

The authenticity of that famous document, now worldly known as the Tanaka Memorial,—a deeply-laid, ambitious and ruthless scheme of world conquest by blood and iron—has long been established and accepted. This book by Victor Rine proves it genuine beyond all shades of possible doubt. It makes no difference, says the author, whether you read the plan first and observe the facts afterwards or vice versa, the closeness of the two will force interest in correlating them and in seeking out their common origin in Tanaka, the Machiavelli of Nippon, as the author dubs him. This pernicious document is no child of accident; it has had a long history behind its creation. Genetically, this grand scheme of world conquest was willed by Emperor Meiji Tenno upon his dying bed in 1912, developed and elaborated by Giichi Tanaka throughout his long career in the War Office and as Premier of Japan, and began to be put into execution by heirs to this policy of Machiavellism in the persons of Arakis, Honjos and Minamis. The conquest of Manchuria and planned conquest of China as a whole as detailed in this document are but preliminary phases of Japan's plan of world domination. The author rightly points out that the much-talked-of "Yellow Peril" is really nothing else than Nipponese Peril.

The Tanaka Memorial was presented to the Japanese Emperor on July 25, 1927, but it was not discovered and became known until 1929, when Chinese delegates made it public at the meeting in that year of the Institute for Pacific Relations at Kyoto. In any European language, it was not widely known before Sept. 24, 1931 —six days after the Japanese flare-up in Manchuria. To identify the document as being fathered by Tanaka, the author convincingly correlates the words of the Premier with the acts committed by the Japanese in China since the days when Chang Tso-lin as protege of Tanaka ruled supreme in Manchuria and staged his far-flung raids in China Proper before 1926. For this purpose, he takes pains to trace the pre-natal history of Manchukuo, revealing Premier Tanaka in action in the formulation of the famous "Twenty One Demands," in his instigation and support of Chang Tso-lin to create chaos in China, in the financing of Sun Chuan-fang to stage his come-back in 1927, in the Japanese occupation of Shantung province in 1928 to block the Nationalist advance northward, and finally in the assassination of Chang Tso-lin in the same year. The events in the past few years in Manchuria. North China and Shanghai, when analysed and studied in the light of the Tanaka Memorial intimately indentify Tanaka as the author of the document. Both in word and in deed, says the author, Tanaka holds the first claim to the creation of the bogus state which goes by the name of "Manchukuo."

Lest the foregoing illustrations be unconvincing to the skeptic, the author lets Tanaka speak out for himself. This is what Tanaka said:

"In future if we want to control China, we must first crush the United States, just as in the past we had to fight in the Russo-Japanese War. But in order to conquer China we must conquer Manchuria and Mnngolia. In order to conquer the world, we must first conquer China. If we succeed to conquer China, the rest of the Asiatic countries and the South Sea countries will fear us and surrender to us.—Having conquered China's entire resources at our disposal, we shall proceed to conquer India, the Archipelago, Asia Minor,

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Central Asia, and even Europe.—We must beware least one day China becomes unified and her industries become prosperous. The people China might someday wake up," then all will be gone. These words of Tanaka should suffice to explain the rush of events in China during the past three years.

Finally, for the benefit of skeptics, critics and Japanese apologists characterising the document as a forgery, the author argues that the document could not be a forgery on the ground that there are errors, factual mis-statements and contradictions in it. He says: "That such is the case is true; but the argument 'because errors therefore forgery' is certainly strangest logic. It is incredible absurdity to suppose at this day that premiers, like kings, are infallible. The Japanese can't err, but the Chinese can! That well-known authorities on Eastern Affairs should be guilty of this argument is remarkable." C. H. H.

Valuable Publications by the Bank of China

An Analysis of the Accounts of the Principal Chinese Banks, 1921-1931. *Price* $5.00

An Analysis of the Accounts of the Principal Chinese Banks, 1932. *Price* $1.00.

An Analysis of Shanghai Commodity Prices, 1923-1932. *Price* $5.00.

Statistics of China's Foreign Trade, 1912-30. *Price* $8.00.

The above-listed four publications compiled and published by the Research Department of the Bank of China, Shanghai, are useful and valuable works to a proper understanding of the operations of the modern-style banks in China and of the economic development of the country in general. They represent the painstaking efforts of many years of research and study on the part of those responsible for their compilation and should prove to be a great aid not only to the banker and business man, but to the public at large as well. The aubjects dealt with in these volumes have been treated exhaustively. Particular care seems to have been given to insure the accuracy of the figures included in them. Published bilingually (in both Chinese and English), they will be of considerable value to foreign traders and business men in China, as well as abroad, who desire to secure definite and accurate information regarding the status of the leading Chinese banks and the econosic situation of the country as revealed in the import and export figures.

The first volume is an analytical study of the working of twenty-eight representative banks in Shanghai during the decade of 1921-31. Its contents are divided into four sections. The First Section deals with the aggregate totals by items of accounts of these banks. The Second Section treats of the twenty-eight institutions individually with descriptions of its organization and analysis of its accounts. This study includes a brief history of the institution, a description of its principal officials and its head and branch offices, a tabulation of its assets, liabilities, expenditure and income and an analysis of its items of accounts. The Third Section is a comparison by year of items of accounts of these banks concerned. The Fourth Section is a comparison by items of accounts. Added to this exhaustive study is an index of items of accounts.

The second volume is compiled in similar manner in regard to the study and analysis of the accounts as that of the foregoing volume, but the historical descriptions of the various banks have been committed. It is published as a supplement to the previous volume.

The Analysis of Shanghai Commodities is a study of the movements of prices of twenty five representative items of commodities, both imported and domestically produced, ranging from cereals to cosmetics. The figures included in this volume are largely based upon those published by the National Tariff Commission. The main purpose of this publication, as is explained in its preface, is to provide students and businessmen with a comparison in a convenient form of individual prices of commodities over a longer period of time than is covered by the periodical reports of the National Tariff Commission.

The purpose of the fourth volume listed above is to present the official trade statistics of China for the past twenty years from 1921-31 in a handy volume and in such a way as will really assist those who wish to follow China's recent commercial progress. The information contained herein is principally derived from the Annual Reports of the Chinese Maritime Customs. The charts which accompany the tables of the figures will enable those who make use of it to obtain at a glance a general impression of the direction of the trade movements taking place from year to year. It has a valuable appendix in the form of a complete record of the Chinese tariff legislation covering ninety years. For the first time, copies of the various tariff regulations, separately printed in Chinese and in English in various years, are combined in one volume as are here presented.

The four books are nicely gotten out, well printed and well bound. Except the Analysis of the Accounts of the Principal Chinese Banks for 1932 which is a small book, all the other three volumes are cloth-bound. The first honor for the successful compilation goes to Tang Yu-jen, Director of the Research Department, now Vice-Minister of Foreign Affairs, Miss Siao-mei Chang and Tsia Chih-tung.

C. H. H.

In the United States Court for China

In re.	Cause No. 3633
LAST WILL AND TESTAMENT of JOHN ROBINSON DICKSON Deceased	Special Proceedings No. 943 NOTICE Filed at Shanghai, China February 26, 1934 William T. Collins, Clerk. L. T. Kenake, Asst. Clerk.

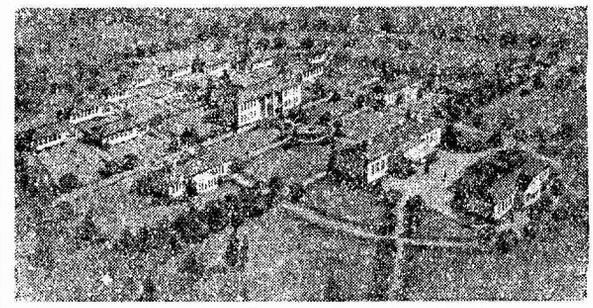
Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOHN ROBINSON DICKSON, deceased, to present the same with vouchers to the undersigned on or before September 2nd, 1934, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

CHARLES M. MEYERS,
Treasurer of THE CHINA MISSIONS
Board of Foreign Missions of the
Presbyterian Church.

Shanghai, China.

February 26, 1934.

Help Build The Leprosarium---You Help Uplift Humanity



China is estimated to have at least 1,000,000 lepers—one third of the world's total. Shanghai alone has more than 2,000—four-fifths of them are unregistered. Think of such a huge multitude of lepers existing amongst us, unnoticed and uncared for. Think of their multiplying, spreading their deadly disease and ruining thousands of lives which might have been saved by proper care in a well managed institution such as the National Leprosarium of China we are about to build.

More than $40,000 has been already pledged. Now we need only $60,000 MORE

to complete this long needed humanitarian project.

Let us help get rid of this "Untouchable" disease. Let us make Shanghai a safer and cleaner place to live in by contributing whatever we can towards the building fund of the NATIONAL LEPROSARIUM OF CHINA.

It's for your own safety as well as for the well-being of these poor lepers that we should liberally give. Send your donations to any of the following institutions.

Shanghai Commercial & Savings Bank,
National Commercial Bank,
Hongkong & Shanghai Banking Corp.
or
CHINESE MISSION TO LEPERS
20 Museum Road, Shanghai Telephone 19772

68-037

Proposed U. S. Bill Would Take Profit Out of War

A bill was introduced into the House of Representatives Feb. 24 providing for an amendment to the Constitution which would prevent Congress from declaring war unless the country is invaded and only after confirmation by a referendum. The bill envisages taking all profit out of the arms industry and financing an eventual war with bonds or note issues which shall bear no interest.

William Green, President of the American Federation of Labor, Feb. 26 estimated the number of unemployed in the United States last month at 11,960,000, of whom 7,510,000 are without means of subsistence

A new move against countries defaulting in their war and other debts to the United States was contained in a bill introduced in the House of Representatives, Feb. 23. The measure suggests that the administration should forbid the issue of visas to immigrants from countries who have defaulted on their debts either to the government or citizens of the United States.

A terrific snowstorm, accompanied by tornadoes, swept over the whole of the eastern part of the United States Feb. 25 and for several subsequent days. In New York, 30,000 unemployed secured jobs in clearing snow from the streets. A frozen switch near Pittsburgh was responsible for a train wreck which killed 20 and injured twice as many.

Six American Pilots, 14 Japanese Killed in Air Disasters

The attempt of the U. S. Army to run America's air mail service, following the cancellation of the contracts of air mail companies by President Roosevelt, is having a disastrous result. In a single week, six pilots have been killed.

Eight passengers on a United Airways plane which left Salt Lake City Feb. 23 were killed when the plane crashed on the top of a canyon in Utah during a snow storm. Two Army aviators were killed in the first crash near Salt Lake City, Utah, when they flew into a blizzard and crashed to the ground. The second accident occurred near Jerome, Idaho, when a Douglas bomber crashed into a mountain top obscured by the mist and burst into flames, burning the pilot and the air-mail. The third Army air-mail crash and the fourth fatality occurred when a Douglas Amphibian monoplone made a forced landing on the sea ten miles off Long Island, New York, and quickly sank. The cancellation of all domestic air mail contracts followed revelations of the alleged improper award of some of them. Under the President's order, no firm deprived of its contract for collusion in obtaining it may apply for another for a period of five years.

In Japan, 14 military and naval aviators were killed in air tragedies in the week ending Feb. 22. The worst of the disasters occurred Feb. 21 when two planes belonging to the air arm of the Japanese Navy crashed in the mountains of Northern Korea, carrying five men to their deaths. Altogether five machines crashed during the period under review, while another is missing and is believed to have been lost at sea.

Col. Charles A Lindbergh, who is a director of the Pan-American Airways, Feb. 11 declared that the President's action cancelling the airmail contracts was taken contrary to the doctrine of the right to a fair trial. "Your action affects fundamentally an industry to which I have devoted the last twelve years of my life," Colonel Lindbergh stated in telegram to the President. Replying to the Col. Lindbergh's protest James A. Farley, the Postmaster-General, said that Colonel Lindbergh would have realized that no injustice would done if he had been in possession of all the facts. Arthur McMahon, a former senior lieutenant in the naval reserve air force, said Colonel Lindbergh was guilty of "conduct unbecoming to an officer and a gentleman" in sending the President such a telegram.

President Roosevelt Feb. 23 announced that plans had been drawn for offering civilian aviation concerns a new opportunity to bid for airmail contracts.

⁂

Transcontinental & Western Air Line Spending Millions on Equipment

A $3,500,000 program calling for the replacement of flying equipment has been completed by Transcontinental & Western Air (head office in New York City) in the selection of 700 horsepower Wright Cyclone engines for the twin-motored Douglas transport planes which are being built for operation over the company's coast to coast system in the United States.

Under the supervision of Col. Charles A. Lindbergh, Technical Advisor, specifications have been drawn up involving the most rigid tests in aeronautical history which had to be met before engine selection was made for this fleet of airliners, 41 of which are now under construction.

One of the outstanding tests, according to Richard W. Robbins of the T.W.A. air line, involved a take-off with a full load of 17,500 pounds from Winslow, Arizona Airport, which is 4500 feet above sea level, with one engine cut out after the plane had traveled half way down the runway. The big transport plane continued its take-off and, after climbing to 9,000 feet, flew on one engine to Albuquerque, N. Mexico, 240 miles distant. Other tests showed that this plane, fully loaded, climbed from an altitude of 6,000 feet to 8,000 feet with only one engine, in less than 10 minutes. Further tests in altitudes around 20,000 feet were made to determine the functioning of these engines in the substratosphere, in line with plans which are now being developed by Transcontinental & Western Air for high altitude flying at a later date. This Wright Cyclone motor is the same type which was used by Colonel and Mrs. Lindbergh on their recent 30,000 mile transatlantic survey flight.

The House of Representatives Feb 22 passed a bill authorizing the transport of air mail by army planes for a period of not more than one year. Violent charges from the Republican opposition that the Administration was heedlessly shedding the blood of army pilots made the session an unusually stormy one. Lives of army fliers, it was hotly declared "are being sacrificed on the altar of expediency."

⁂

China Continues to Make Progress in Aviation

The naming ceremony of the airplane *Kwangtung Students*, purchased with funds contributed by the faculty and students of the various schools in Kwangtung, took place in Canton Feb 25. at the recreation ground of the Yentang Military Academy.

Test flights on the two projected airways—the Canton-Lungchow (Kwangsi) and Nanning-(Kwangsi)-Kueiyang (Kueichow) lines—were made Feb. 26.

The Canton Municipal Government has selected a piece of land of over 600 mow near Liuwangtien at Honan island, opposite the city, as a site for the construction of the new airdrome for the Shanghai-Canton air-mail service.

The first test flight on the Peiping-Sian section of the projected Peiping-Canton Airway was completed Feb. 21 with the arrival in Sian of the airplane piloted by Li Ching-sung, managing-director of the Eurasia Aviation Corporation.

The China National Aviation Corporation beginning from May 3, will operate the Hankow-Chengking air mail and passenger service thrice a week, namely leaving Hankow at 7.30 a.m. Monday, Wednesday and Friday, and departing from Chungking at 9 a.m. Tuesday, Thursday and Saturday.

Chinese Air Lines Sustain Heavy Losses

Heavy losses were sustained by both the China National and Eurasia Aviation Corporations last year, it is learnt at the Ministry of Communications. The small number of passengers on the C.N.A.C. line and the suspension of service for several months on the Lanchow (Kansu)-Tihua (Sinkiang) Airline operated by the Eurasia Corporation as a result of the troubles in Sinkiang are stated to be largely responsible for the deficit in the year's working.

A substantial increase in the air force at Singapore is strongly urged by Brtish naval and air force officers, according to the London *Daily Telegraph*.

⁂

Canton's New Air Route

By Y. H. Pan (潘玉珩)

With the completion of the Shanghai-Canton Air Route, communications between China's two most important commercial cities has been greatly facilitated. The Canton political leaders, seeing the benefit and necessity of air communications, have been planning a new air route between Canton and Lungchow via Wuchow and Nanning, capital of Kwangsi province. During the past several months preparations for this new line have been in progress and the service will doubtless begin in the near future. A radio station has been established in Wuchow for the purpose of transmitting news and reports to the Nanning head office.

An air mail service between Canton and Wuchow came into operation in 1930, but, did not continue long. Consequently mails between these two places have been greatly hindered, as steamers take at least two days from Canton to Wuchow and *vice versa*. It should be noted that the suspension of this air mail service was not due to paucity either of passengers or cargo, but to the withdrawal of the Cantonese army from Kwangsi, when the Liangkwang leaders came to a compromise. According to information emanating from official circles, the Canton-Wuchow and Canton-Lungchow lines will be resumed in due course.

It takes a week or so to go to Lungchow from Canton going by steamer; and as there are many rapids with reefs here and there in the upper seetion of the West River, navigation is extremely dangerous. It is obvious that the operation of the Kwang-Lung Line will not only afford a convenient communication service between the two neighboring provinces but will promote friendly relations between them.

Wuchow, Kiangsi, Feb. 20, 1934.

68-038

U. S. Action on Silver Opposed by China

The various moves recently made in the United States looking towards an increase in the price of silver—one of the arguments of the silver protagonists being that a rise in the price of silver will increase the buying power of China (and other Asiatic countries on a silver basis) has not met a favorable response in China, but on the contrary has started a movement here to protect China from the ill effects upon this country which American action to help silver may have. A recent message from Nanking stated that a decision has been reached by the Central authorities to form an enlarged committee to study the contemplated action of the United States Government as it will affect the financial situation in China and to devise retaliatory measures. This committee is to be jointly organized by the National Economic Council, the ministries of finance, of industry, of railways and of the interior and to have as members noted economists and representatives from banking institutions in the nation.

A smaller committee organized by the Ministry of Industry to study the silver problem headed by Leonard Hsu, formerly chairman of the Sociology Department of Yenching University, Peiping, and now advisor of the Industry Ministry, met in Nanking Feb. 27 when the possible consequences that will be brought upon China by a rise in the value of silver in the United States were discussed.

Both Dr. H. H. Kung, Minister of Finance and concurrently vice-president of the Executive Yuan, and T. V. Soong, leading member of the Standing Committee of the National Economic Council, went to Nanking to participate in the deliberations of the national government on the silver problem.

Dr. Kung, while in Nanking, has been busily engaged in exchanging opinions on the silver question with local Chinese bankers. Among measures suggested to the finance minister by leading Chinese bankers to dissuade the United States from her contemplated step of boosting the silver prices are the laying of an embargo on the exportation of silver from China, the imposition of a heavy export levy on silver, and an increase of customs on foreign commodities with a view to preventing dumping.

Commenting on the silver problem, D. K. Lieu, head of the Statistics Bureau of the national government, recalled a plan he submitted to the government four years ago in which he suggested government control of the import and export of silver. By exercising full control of the import and export of silver, Dr. Lieu said, the government can make proper adjustments to any changes in the status of silver in foreign countries.

Sun Fo Says There Is Little China Can Do

Sun Fo, president of the Legislative Yuan, in a press interview Feb. 25 said there is little that China can do to counteract the contemplated action of the United States Government to boost silver prices. Mr. Sun said that it shows a lack of understanding on the part of the United States Government of the financial and economic system in China to believe that a raise in the silver prices in America would increase the buying power of China. Among measures that have been proposed to counteract America's plan to boost the silver prices, Mr. Sun said that neither the postponement of the ratification by China of the London silver agreement nor the enforcement of an embargo on the exportation from China of silver will dissuade the United States from her contemplated step. The silver embargo, Mr. Sun pointed out, cannot be effectively carried out in view of the smuggling in this country.

Rumors were current last week that China might inflate the silver dollar. Interviewed on this point, Dr. H. H. Kung, Minister of Finance and Vice-President of the Executive Yuan, emphatically denied that there was any possibility of such inflation by government action. On the contrary, he said, every effort would be made to stabilize the Chinese currency. Nothing was further from the thought of the national government leaders than to devaluate the standard silver dollar, he said.

Chinese and Foreign Residents Oppose American Action

The text of the cable sent to President Roosevelt by the Chinese Bankers Association here on Feb. 20 was published in Chinese papers Feb. 26. The message called the attention of President Roosevelt to the fact that, while a fall in the price of the American dollar has provoked a rise in the price of commodities in the United States and brought about a decrease in the number of the unemployed in America, it has caused a slump in the price of commodities in China and an exodus of silver from this country. Such a state of affairs, the cable points out, has promoted the ill-advised activities of opportunist speculators in China.

"The people in this country, due to natural and physical causes, have already been in deep water and hot fire," the cable says. "If the United States continues its policy of buying silver with a view to further provoking a rise in its prices, the farmers in this country will be plunged deeper into distress and a confusion in international exchange will be caused."

In conclusion, the cable urges President Roosevelt to carefully reconsider the plan to boost the silver prices.

The Shanghai Foreign Residents Association sent a telegram to President Roosevelt Feb. 27 expressing the opinion that a rise in the price of silver would cause a disastrous collapse of both land and commodity prices and would necessitate an embargo or export duty on silver, thus putting China on a managed currency basis.

Manchukuo Frees Russian C. E. R. Officials Arrested Last Autumn

The Manchukuo Government Feb. 24 released the six Soviet officials of the Chinese Eastern Railway, who had been detained since September 24, 1933. The release of these Soviet agents will probably open the way for the early resumption of negotiations for the sale of the Chinese Eastern Railway.

The six officers were arrested last autumn by Manchukuo Police on charges of illegally interfering with the operations of the Chinese Eastern Railway. As a result of this action, negotiations for the sale of the railway to Manchukuo and Japan came to a standstill and have meanwhile been deadlocked.

Temporary Soviet and Manchukuo officials will be appointed as successors to the six men—who will not be restored to their positions, but will return to Russia.

"Izvestia" Comments on Release of C. E. R. Employees

Moscow *Izvestia* Feb. 26 and 27 commented as follows: "The arrests constituted an attempt to put into effect a first plan for seizing the Chinese Eastern Railway on the part of certain Japanese-Manchurian circles. The Manchurian side of C.E.R. attempted to appoint Manchurian employees to the posts of the arrested Soviet employees, and these Manchurian appointees even attempted to issue unlawful orders, supported by arbitrary actions of the Manchurian assistant manager of the C.E.R. A joint order has now been signed by Manager Rudy and his two assistants—both Manchurian and Soviet—regarding the immediate appointment of temporary Soviet heads of the railway traction and finance departments, and a head of the railway repair shops, pending confirmation of the candidatures of the regular heads proposed by the Commissariat of Railways. This order puts an end to the attempt referred to, to violate the status of the C.E.R. as provided by the agreement, and means the abolition of the unlawful orders issued by the Manchurian assistants and Manchurian "substitutes" for the Soviet employees arrested in September.

"The decision of the Manchurian authorities, to release the arrested men without any charges having been preferred against them, and to return to the normal method of appointment of the Administration of the C.E.R., is the result of Tokyo and Mukden understanding the impossibility of continuing a policy which could only bring Soviet-Japanese relations to a deadlock. The policy of the Soviet Union towards Japan and towards the Manchurian conflicts is unchanged, despite the tremendously strengthened economic and military forces of the Soviet Union, despite the consolidation of the international position of the Soviet Union. Now, as before, the Soviet Union considers that when her borders are respected and her interests observed, all disputable questions between Japan and the U.S.S.R. can be settled in a peaceful way.

Mysterious Plane Flights Over Manchuria

An unidentified airplane flew over parts of Manchuria twice during the last fortnight and was reported to have disappeared in the direction of Soviet territory. In view of the existing relations between Japan and the Soviet Union and the forthcoming enthronement of Pu Yi, these flights caused great apprehension among Japanese and Manchukuo military authorities, according to a *United Press* telegram from Seoul, Feb. 25.

Japanese Plane Reported Shot Down by Soviets

Following a similar incident on Feb. 12, a Japanese military report Feb. 28 stated that Soviet troops directed machinegun fire against a Japanese plane on February 23 while it was reconnoitring near the Soviet border. The pilot is stated to have been slightly injured.

Funds for Leprosarium Continue to Come In

Despite the business depression, the prospects for the complete realization of the goal of the financial drive for the erection of the proposed National Lepsrsarium of China to be built near Shanghai is exceedingly bright according to a recent report of the campaign issued by the Rev. T. C. Wu, general secretary of the Chinese Mission to Lepers under whose auspices the drive is being conducted. More than $45,000 has either been paid or pledged; the goal is $60,000.

Of the amount raised the French Municipal Council made a substantial and notable contribution of $10,000 towards the building fund of the proposed Leprosarium. The gift was secured through the efforts of Loh Pah-hong.

Ambassador Bullitt Discusses U.S.-Soviet Relations

The following are extracts from an Address delivered by William C. Bullitt, American Ambassador to Soviet Russia, at a banquet given in his honor by the Chamber of Commerce of Philadelphia, January 19, 1934.

One aspect of our recognition of the Soviet Government has been overlooked generally by the press, but to me it is of primary importance. Taken in connection with the Address of the President before The Woodrow Wilson Foundation our resumption of normal relations with the Soviet Union marks a return by the Government of the United States to our traditional policy of not attemoting to judge the domestic institutions of other countries. There are few persons who will not be glad that President Roosevelt has resumed this traditional policy of our Government.

It is a policy which has been followed sometimes by other nations and sometimes not. Russia, for example, has not always followed it. It took Russia twenty-eight years to decide that it was safe to recognize a government headed by such radicals as George Washington, John Adams and Thomas Jefferson. The Mad Czar Paul followed the policy of Catherine the Great and it was not until 1809 that the Czar Alexander I, who at the time was considered a dangerous radical, deemed it safe to recognize the Government of the United States and received John Quincy Adams as the first American Minister. The Government of the United States has at least been fifteen years quicker to admit the existence of an accomplished fact than Catherine the Great and the Mad Czar Paul.

Another aspect of our resumption of normal relations with the Soviet Union which may have great significance is the commercial one. Demand in Russia today is enormous, and the standard of living is rising, so that new demand is constantly created. An amusing example of this was pointed out to me a month ago in Moscow by one of the leaders of the Soviet Government. He called my attention to the fact that a few years ago a good Communist insisted on wearing an old colored shirt and having his wife dressed in a shapeless garment, but that today the same man demanded white shirts and collars and lots of them, and that the requirements of the women had become insatiable for rouge, powder and perfume.

The Soviet Union is both a country and a continent, the surface of which has scarcely been scratched—a continent filled with mineral riches as great or greater than those of the United States, a continent containing 170,000,000 human beings. The development of our own country after the Civil War was phenomenally rapid. The development of the Soviet Union promises to be even more rapid. There are few products produced in the United States for which there is not some demand in the Soviet Union.

The question of paying for such products is another matter. I think we all agree that we want no more of the strange financing of foreign sales which took place during the 1920s and produced the result that we found we had given away our products when we thought we had sold them. We no longer want to send abroad our products and at the same time send abroad the money to pay for them, and then proceed to make repayment almost impossible

If you ask me, how much the Soviet Union can buy from us, I must ask you in return how much in goods and services you are ready to take from the Soviet Union in payment of the goods that you send to the Soviet Union. We all know that international payments can be made only in goods, services or gold. The Soviet Union has, to be sure, a large production of gold. It is now, I believe, more than $50,000,000 a year, but that $50,000,000 can not all be used for the payment of balances in the United States, and, if we desire to sell large quantities of goods to the Soviet Union, we must take large quantities of goods from the Soviet Union in exchange. Credits in some measure are no doubt justifiable, but credits merely postpone the day when goods have to be taken, and therefore credits in excessively large amounts must be avoided.

There are many articles which we can take from the Soviet Union and it may be possible to build up a great mutual exchange of goods; but please do not cherish the illusion that we can sell to the Soviet Union without buying from the Soviet Union. That, in the long run, is impossible.

T. V. Soong Plans Trip to Szechuen

T. V. Soong, former Minister of Finance and member of the Standing Committee of the National Economic Council, stated in a press interview at Shanghai Feb. 24 that with a view to studying the conditions in the Northwestern and Szechuen Provinces for commencing reconstruction work, such as river conservancy and road building, he is planning to inspect the territory personally. He will probably leave Shanghai in the middle of March, accompanied by Tai Chi-tao, President of the Examination Yuan, who is greatly interested in the development of the Northwest.

Fierce Assaults by Reds on Nanchang and Kiukiang Repulsed

(*From the Review's Correspondent at Hankow*)

THE Reds in Kiangsi launched a bold attack on Nanchang, capital city and headquarters of Generalissimo Chiang Kai-shek, Chairman of the Military Affairs Commission. No sooner had the Generalissimo returned from his trip to Nanking, Hangchow, and Shanghai than the Reds began the fiercest fighting from Kaoan, Yunghsin, and Lienhwa, with the view to divert the government troops in eastern Kiangsi province. However, they found the capture of Nanchang a task far beyond their ability, for they were soon beaten off by the government troops. This surprise attack was carried out on the night of Feb. 16 (when the Chinese folk were celebrating the lunar New Year festival) by a newly organized 7th Red Army Corps under Red Commander Hsiao Ko. Hotly pursued by the government troops, the Reds fled in two directions, one group southwest toward Suichang, the other under Hsiao Ko northward.

Moving rapidly and angered at their failure to make a dent in Gen. Chiang Kai-shek's defense lines around Nanchang, Red Commander Hsiao Ko staged a sudden attack on Wuning, capturing it on Feb. 19.

After this success, Red Commander Hsiao Ko joined forces with Red Commander Kung Ho-chung, of the 6th Communist Army Corps. Ten thousand strong these forces moved northward and captured Juichang, a town 16 miles west of Kiukiang, the Yangtze port.

The Drive on Kiukiang

The government forces of the 4th Brigade under Chang Lien-san, being hopelessly outnumbered, four to ten, fled in the direction of Tayeh, Hupeh. In possession of Juichang the Reds had communications in many directions both on land and water. The Kiukiang-Nanchang Railway was blocked at a point between Juichang and Kiukiang, called Huanglaomen. Continuing, the Reds moved on toward Kiukiang, reaching a point just seven miles from the river port, Shaho.

The sudden threat to Kiukiang stirred the blood of foreigners as well as of the Chinese authorities. Troops were rushed southward from the Yangtze river port and soon the government troops had recovered the city of Juichang. Foreign gunboats are held in readiness should an emergency arise. The foreign communities in Kiukieng and on Kuling are breathing easier again. On Feb. 22, the Japanese Rear Admiral Sugisaka, Commander of the Japanese Yangtze Naval Squadron, ordered the Japanese gunboat *Hozu* to rush to Kiukiang. The British gunboats H. M. S. *Gnat* and H. M. S. *Cricket* and the American U. S. S. *Luzon*, besides two Japanese, are lying in the Kiukiang harbor.

Marshal Chang Hsueh-liang's long-heralded coming finally took place last Sunday morning Feb. 25 at nine thirty o'clock. The Bund was crowded with friends and government officials and the curious multitudes that always gather when kings or lords or marshals come to town.

The Young Marshal intends to make his headquarters in Hankow and official offices in Wuchang. Dinners and receptions are being prepared for him by the officials of the Wuhan center. Sunday night he was entertained by Gen. Ho Chen-chun, of the Hupeh Pacification Bureau.

Asked by the press about his immediate plans for the future, the Marshal stated that he hopes to proceed shortly to Nanchang to confer with the Generalisssimo, Chiang Kai-shek, in regard to his work as Vice-Commander-in-Chief of the Honan, Hupeh, and Anhwei Bandit Suppression Bureau.

Hankow, Feb, 26, 1934.

"Indiscreet" Japanese Vice Admiral Is Promoted

Vice Admiral Nomubasa Suyetsugu,—who during the past month or so had become the popular hero of the Island Empire because of "irresponsible" statements charging that the United States and Soviet Russia are conspiring to besiege Japan, and similar appeals to prejudice—has been appointed Commander-in-chief of the Combined Fleet and concurrently Commander-in-chief of the First Fleet. The Japanese popular magazines during. February were replete with articles and interviews by Suyetsugus He hinted that Col. Lindbergh's flight along the Aleutians was for espionage against Japan. He saw in South China's purchaser of American airplanes preparations by the United States for was against Japan.

Vice Admiral Seyetsugu's promotion is a contrast to the experience of Admiral Coghlan of the U.S. Navy who in the last days of the nineteenth century was reprimanded and reduced in rank for versifying Kaiser Wilhelm's attitude towards American policy in the Philippines, one line reading "Meinself und Gott all tings command."

Panchen Lama Makes Donation for Nanking Poor on His 53rd Birthday

The Panchen Lama, "Living Buddha" of Tibet, who is now in Nanking, declined all celebrations for his 53rd birthday on Feb. 25, in view of the existing national emergency.

The Panchen Lama presented a sum of $3,000 on Feb. 24 to Shih Ching-yang, chairman of the Mongolian and Tibetan Affairs Committee, requesting him to use the money to buy rice for distribution among the poor of Nanking. He has also contributed $10,000 as a donation to the orphanages at Nanking, Sian and Loyang.

Towards the expenses for holding prayer meetings for the late Dalai Lame, temporal ruler of Tibet, the Panchen Lama has remitted $20,000 to the leading Monasteries of Chinghai (Kokonor).

In an order to the Ministry of Finance through the Executive Yuan on Feb. 24, the National Government instructs that a sum of $50,000 be remitted as funeral expenses for the late Dalai Lama.

Shih Ching-yang, who tendered his resignation from his office as chairman of the Mongolian and Tibetan Affairs Committee, has withdrawn his resignation, and resumed his duties.

In a telegram to General Chiang Kai-shek, President of the Military Affairs Commission, Mr. Shih voices support of the policies enunciated by President Wang Ching-wei and General Chiang in their telegram of February 11.

In a joint circular telegram to the entire nation on Feb. 23, the various Mongolian Dukes and Princes express their unreserved readiness to institute local autonomy in Inner Mongolia under the direction of the central authorities. They hope, however, that the Central Authorities will reconsider their plans for local autonomy in Mongolia, and base them on the agreement reached between General Huang Shao-hsiung, Minister of Interior, and the various Mongolian leaders during his recent inspection tour of Mongolia.

Prince Yun-Tuan-kuo-Chu-Ke, ruler of the Ulan-Tsab League of Inner Monglia, has, for the second time, submitted his resignation to Nanking, his reason being that the situation in Inner Mongolia is daily growing more difficult and complicated. It is believed that he will be urged to remain, as he is an important figure in that part of Inner Mongolia still remaining under China's control. It is thought in some circles that his resignation is merely a veiled threat to press the Mongol demands regarding autonomy.

Prince Kuo-Eih-Cho-Chia-Pu, personal representative of Prince Te-Mu-Chu-Ke-Tung-Lu-Pu, Vice-President of the Silingol League, arrived at Nanchang on Feb. 23 in response to an invitation from General Chiang Kai-shek. Besides reporting on the situation in Inner Mongolia, he conveyed a message from Prince Te-Mu-Chu-Ke-Tung-Lu-Pu expressing determination to resist Japanese aggression, and reiterating the loyalty of the Mongolian leagues and banners to the Central Government.

The Executive Yuan has decided to set up a Sinkiang Reconstruction Planning Committee under the chairmanship of Chu Min-yi, its chief secretary. The Government has so far received no confirmation of the reported declaration of independence by Southern Sinkiang tribes.

General Sandino, Nicaraguan Rebel, Is Assassinated

General C. Augusto Sandino, Nicaragua rebel leader, his brother, and several companions were massacred in the home of the Minister of Agriculture, Senor Sofonias Salvatierras, in Managua, Feb. 22. The massacre occurred when members of the Nicaraguan Guardia Nacional made a surprise attack upon the Agriculture Minister's home where the victims were apparently staying at the time.

Interest in Nicaraguan affairs in this part of the world is accentuated by the fact that about one-fifth of the U. S. Marines now on duty in Shanghai were previously on duty in Nicaragua for the express purpose of opposing Sandino.

"In 24 Hours We Had A Different Baby."

Clergyman's Wife Tells Her Experience With

BABY'S OWN TABLETS

Wherever Baby's Own Tablets are tried they give satisfaction, as is proved by the hundreds of letters received annually from grateful parents in many parts of the world. For example, Mrs. M. E. Conron, a clergyman's wife residing at Brantford, Ontario, Canada, writes:—

"Our first baby was cross and feverish, and would not take his food. We lost so much rest at night I was completely played out. But one day while my husband, who is a minister, was making a call, a lady advised him to buy a box of Baby's Own Tablets. We certainly found they worked wonders. In 24 hours we had a different baby."

Baby's Own Tablets, the formula of an eminent physician who specialised for children, are a specific for infantile constipation, indigestion, colic, teething troubles, simple fever, vomiting, croup and colds. They also expel worms. Obtainable from chemists everywhere.

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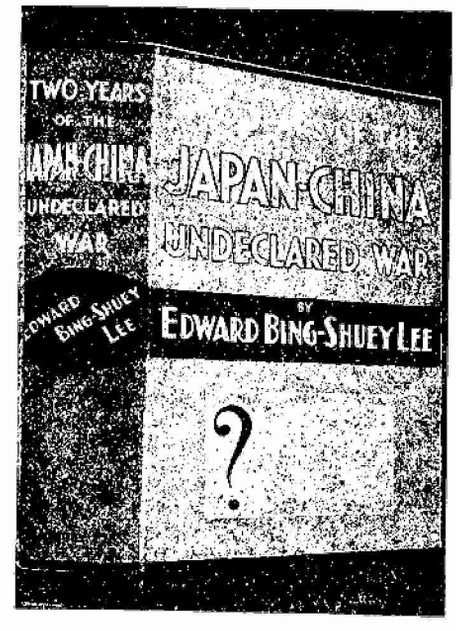

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CHINA WEEKLY REVIEW

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Real Estate Review by Realty Investment Co.

Any improvement to the busy central district is very welcome. The bamboo enclosure on the Southwest corner of Hankow and Szechuen Roads is evidence that the present old building is to be given a set-back with a new front. It is to be hoped that other old buildings in the same area will fall in line.

New Building:—Central District: Store house off Tientsin Road—near Shanse Road; Western District: Apartment building on Avenue Road—near Ferry Road—with four foreign stores on ground floor, Warehouse on Moji Road—near Haiphong Road; 15 Chinese hongs on Tonquin Road—near Poo Too Road. Arcade Building on the corner of Bubbling Well and Seymour Roads.

Eastern District.—Dyeing factory, Pingliang and Ningkuo Roads; 6 Chinese shops on Wenchow Road near Pingliang Road; Packing and storage room on Hochien Road near Linching Road.

Shanghai Power Co's 1933 Report Shows Steady Progress

The Shanghai Power Co. has issued its report for 1933 in brochure form. It shows that the operating revenues for the year were Tls. 18,625,913.14 and the operating expenses, Tls. 9,466,317.06. After meeting various obligations there was a balance of Tls. 5,525,387.35, of which Tls. 2,995,990.88 was carried to earned surplus The year under review showed the largest kilowattage (302,390) and the largest total of units sold (695,173,403) either in the Company's history or when the system was still under the control of the Shanghai Municipal Council. W. S. Robertson is the chairman, and P. S. Hopkins is the president of the Company.

Cure Your Rheumatism By Way of the Blood.

Persons who are subject to rheumatism should avoid above all things an excess of meat, for flesh food is productive of uric acid in the blood and uric acid is the cause of rheumatism.

Simple, wholesome diet, mainly consisting of fruits and grains, will do much towards alleviating the condition, but the only way to drive rheumatism completely out of the system is by eliminating the poisons from the blood which are the cause of it. To do this a blood tonic of proved worth is the swiftest and surest method, of which there is none finer than Dr. Williams' Pink Pills. Made from the prescription of a British physician, they are unique in their ability to create new red blood, rich in haemoglobin, that substance which carries oxygen from the lungs and nutriment from the food digested in the intestines to every cell of the body. If you suffer from rheumatism begin a course of Dr. Williams' Pink Pills today, and let them do for you what they have done for many others. You will be surprised and delighted at the early improvement in your condition.

For all complaints resulting from a weak impoverished condition of the blood—nervous debility, headaches, digestive weakness, insomnia, neuralgia, sciatica, depression, there is no better remedy than Dr. Williams' Pink Pills. Obtainable from chemists everywhere.

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Your work should bear our imprint

The National City Bank of New York, Rates of Exchange

Shanghai, Feb. 28, 1934

Demand selling rate on America:	U.S.$100=Sh. 287.25
Demand buying rate on America:	U.S.$100=Sh. $284.69
Demand selling rate on London:	£1 0.0.=Sh. $14.601
Domand rate on buying London:	£1.0.0=Sh.$14.436

68-042

Latest New York Stock Exchange Quotations

Market—Steady — Business Done 1,270,000 Shares

February 28, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. Feb. 26	Tue. Feb. 27
18¾	3	—	Adams Express	9½	9½
33	11⅛	0.60	Alaska Juneau	20⅛	20⅞
160	70¾	6.00	Allied Chemical & Dye	152¼	152
107⅛	19½	4.00	American Can	103	103
19⅝	5⅞	—	American & Foreign Power	9¾	10
44⅞	7¼	—	American & Foreign Power 7% Pfd.	23⅝	24⅛
58½	23⅝	5.00	Amer. & For. Power 5% debs. of 2030	50	50
27¼	8⅛	—	American Metal Company	23⅝	24
53⅛	10¾	—	American Smelting	44¼	45⅛
134¾	86½	9.00	American Tel. & Tel.	121¼	120¼
94¾	50¾	5.00	American Tobacco "B"	74	74
43¼	10⅞	1.00	American Waterworks	21¼	21¾
80	35	6.00	American Waterworks $6 preferred	72⅞	74
22⅞	5	—	Anaconda Copper	14¾	15
18⅝	5⅞	—	Atlas Corporation	12⅝	12⅝
84¼	31	2.00	Auburn Automobiles	53¼	53¾
37⅞	8¼	—	Baltimore & Ohio	29⅝	29⅞
49½	10⅛	—	Bethlehem Steel	44⅜	44⅝
37⅞	18	1.60	Borden Company	23	23
28½	5½	0.25	Borg Warner	24	24
20⅞	7¼	—	Canadian Pacific Railway	15½	16
103½	30½	—	Case, J. I.	74	75⅜
47⅞	16⅝	1.40	Chase National Bank	27¾	28¾
52½	14⅞	2.50	Chesapeake Corporation	39⅞	39⅝
59	7¾	1.00	Chrysler Corporation	55¼	55⅝
46	25	5.50	Cities Service Power & Light 5½s/52	41¾	42
28⅛	9	0.50	Columbia Gas & Electric	15	15⅛
6⅛	1⅜	—	Commonwealth & Southern	2⅝	2¾
64⅛	34⅞	3.00	Consolidated Gas of N. Y.	39⅜	39¾
20½	4⅞	—	Continental Oil	18⅝	18⅝
9	2⅝	—	Coty Inc.	6¾	7
5⅛	1½	—	Curtiss Wright Company	4¼	4¼
102¾	32⅛	*2.00	Du Pont de Nemours	98½	99
93¾	46	3.00	Eastman Kodak	89	90
41⅝	10	—	Electric Bond & Share	16½	17
66	25	6.00	Electric Bond & Share $6 preferred	50	51½
15⅝	3⅛	—	Electric Power & Light	6⅞	7
19	12	—	Fox Film "A"	14¾	14½
10¾	2⅞	—	General Aviation	Unq.	7
30¼	10½	0.40	General Electric	20½	21⅛
39⅞	21	1.50	General Foods	33⅝	33⅛
41½	10	*1.00	General Motors	37¾	38⅛
49½	13¼	1.00	General Railway Signal	40⅝	42¼
27⅜	12	1.20	Gold Dust	19⅝	19½
47½	9¼	—	Goodyear Tire & Rubber	36⅝	36¾
40	6⅛	—	International Cement	30	30
46⅛	13⅝	0.60	International Harvester	40¼	40⅝
23⅝	6¾	—	International Nickel	23	23⅝
21¾	5⅛	—	International Tel. & Tel.	14	14½
69½	20⅛	4.50	Int. Tel. & Tel. conv. 4½s of 1939	65½	66½
65¼	12¼	—	Johns Manville	57	56
26	7⅝	—	Kennecott	19¼	19⅝
79⅜	37½	2.40	Lehman Corporation	72½	72
99⅝	40½	*4.00	Liggett & Myers "B"	85¾	86
36½	8½	1.00	Loew's Inc.	30⅝	31⅜
25¼	10⅜	1.20	Lorillard P. (Com.)	17	17½
35⅜	8⅝	—	Montgomery Ward	30⅜	31
64⅛	16⅞	1.00	National City Bank (bid price)	28¾	29¼
41⅝	5⅝	—	National Distiller	26½	27⅛
60½	34	5.00	New England Grs & Electric 5s 1947	52	52½
58½	14	—	New York Central	37¾	38⅜
36½	12¾	8%S	North American	19	19½
96¾	81½	2.00	Owens Illionois Glass	85	85¾
31⅞	15	1.00	Pacific Gas & Electric	18⅞	19¼
6⅝	1¾	—	Packard Motors	5¼	5⅛
42½	12¾	0.50	Pennsylvania Railroad	33⅞	34¼
6⅝	1⅛	—	Pennroad Corporation	3¼	3⅜
19½	4⅜	—	Phillips Petroleum	16¼	16½
12¼	3	—	Radio Corporation	7¾	7⅞
54¼	26½	3.00	Reynolds Tobacco "B"	40½	40⅝
50⅞	12½	—	Sears Roebuck	45⅞	45¾
19½	6	1.00	Socony-Vacuum Corporation	16⅝	16¾
28	14¼	2.00	Southern California Edison	19	18⅞
22½	5⅛	—	Standard Gas & Electric	11¾	12⅛
77	35	6.00	Standard Gas & Elec. 6% notes 1935	65	65
49⅛	22¾	1.00	Standard Oil Co. of N. J.	46	46¼
60¾	46	3.80	Sterling Products	54½	53⅝
9	1½	—	Studebaker	7⅛	7⅛
30⅛	10¾	1.00	Texas Corporation	26¼	26
9⅛	2⅝	0.12	Transamerica	7	7
51⅞	19¾	1.00	Union Carbide & Carbon	44½	45¼
132¾	61¼	6.00	UnionPacific	126	125
46⅞	16½	—	United Aircraft & Trans.	23⅞	24⅝
14½	4⅛	—	United Corporation	6⅝	6⅝
25	14	1.20	United Gas Improvement	18	17⅛
25	2⅞	—	U. S. Rubber	19	19
67½	23⅝	—	U. S. Steel	54⅞	55⅝
51½	21½	*2.00	Universal Leaf Tobacco	41	Unq.
36¼	7⅝	—	Vanadium	26⅞	27⅞
9⅛	1	—	Warner Bros. Pictures	6⅝	6⅞
58¾	19¾	—	Westinghouse E. & M.	39	39⅜
53½	25⅛	2.40	Woolworth	49	50¼

*Plus extras — CALL MONEY 1% 1%

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